RESEARCH AND WORKING PAPERS □ 32

LYNN LAKE AND NORTHWEST MANITOBA: AN ALTERNATIVE COMMUNITY FUTURE

David C. Walker

INSTITUTE OF URBAN STUDIES
UNIVERSITY OF WINNIPEG

David C. Walker

David C. Walker received his doctorate in political science from McMaster University, and has been teaching at the University of Winnipeg since 1974. His research interests include public policy, public administration and urban affairs. He was active on the Social Science and Humanities Research Council from 1978-1983, and has been involved in several other community and national voluntary associations.

In addition to teaching, Professor Walker serves as special assistant in the office of the Vice-President (Academic) and has co-ordinated the University of Winnipeg Urban Studies Program, the Administrative Studies Program and the Joint Masters Program (with the University of Manitoba) in Public Affairs. He has written extensively on a wide range of topics in Canadian politics. He is the author of the book *The Great Winnipeg Dream* (Toronto: Mosaic Press, 1979), articles in various journals including the *Urban History Review/Revue d'histoire urbaine*, and *The Journal of Canadian Public Administration*, and has contributed to several other books. Professor Walker has lectured in several countries outside of Canada including the United States, China, England and Israel.

103-07257/

LYNN LAKE AND NORTHWEST MANITOBA:

AN ALTERNATIVE COMMUNITY FUTURE

Research and Working Paper No. 32

by

David C. Walker

Institute of Urban Studies
1988

PUBLICATION DATA

Walker, David C.
Lynn Lake and northwest Manitoba: an alternative community future

(Research and working papers; 32)

ISBN: 0-920213-56-1

I. University of Winnipeg. Institute of Urban Studies. II. Title. III. Series: Research and working papers (University of Winnipeg. Institute of Urban Studies); 32.

This publication was partially funded by the Canada Mortgage and Housing Corporation, but the views expressed are the personal views of the author and the Corporation accepts no responsibility for them.

Published by:

Institute of Urban Studies
University of Winnipeg
515 Portage Avenue
Winnipeg, Manitoba
R3B 2E9 CANADA

copyright 1988
Institute of Urban Studies

ISBN: 0-920213-56-1

TABLE OF CONTENTS

Section			Page
Table of Contents			iii
1.0	**INTRODUCTION**		1
2.0	**STRUCTURE OF THE STUDY**		3
	2.1	The Foundation	5
	2.2	Project Objectives	9
	2.3	The Methodology	11
	2.4	Summary	13
3.0	**LYNN LAKE AND ITS INNOVATIONS CANADA PROJECT**		14
	3.1	Lynn Lake, Manitoba	16
	3.2	Mining and Milling Operations of Sherritt Gordon, Lynn Lake	17
	3.3	Summary	20
4.0	**LITERATURE REVIEW**		20
	4.1	Introduction	20
		4.1.1 Community Studies	21
		4.1.2 Government Reports	27
		4.1.3 Employment Studies	35
	4.2	Summary	37
5.0	**EVALUATION OF THE LYNN LAKE AND NORTHERN MANITOBA PROJECT**		39
	5.1	Introduction	39
	5.2	Stabilization of the Workforce	39
	5.3	Employee Training Results and Issues	41
	5.4	The Training Process	42
	5.5	Attitudes Towards Training	44
	5.6	Training Schedules	46
	5.7	General Observations on Training Component	47
	5.8	Employment Mobility Results and Issues	49
		5.8.1 Employment Co-ordination and Counselling Centre	49
	5.9	Labour Mobility: General Observations	57
	5.10	The Northwest Manitoba Economic Development Adjustment Component	59
	5.11	The Consultants	65
	5.12	Intergovernmental Relations	71
	5.13	National Communications	72
	5.14	Fighting Back	73
	5.15	Summary	74

6.0 **THE FUTURE OF CANADIAN SINGLE INDUSTRY COMMUNITIES - LESSONS FROM THE LYNN LAKE PROJECT** 74

6.1 The Future of Canadian Single Industry Communities 74

BIBLIOGRAPHY 80

APPENDICES 82

1.0 INTRODUCTION

Canadians have long had an ambivalence toward their single industry communities. On the one hand, they are recognized as the backbone of our economy and as places where tremendous wealth has been generated. On the other hand, most of us chose not to live in these communities, we do not visit them on our holidays and have generally turned a blind eye to their struggles for survival.

Since the sixties there have been ripples of interest in solidifying the future of single-industry towns. The concept of rapidly developing the mid-Canada corridor was the rage several years ago and now a new association has been established to promote more innovative approaches. However, the fact remains that many of these settlements continue to stare down the barrel of a gun. The diversification of their economies, long held to be their solution, is a little bit like a game of Russian roulette: one wrong move and the entire community can disappear in a fortnight. Such is the fragility of the single-industry town.

Of course, all is not doomsday and nor should the pessimists hold the stage unchallenged. The history of these settlements defies any notion of determinism: when the prices of the major commodities such as gold, copper and lumber improve then these communities will come roaring to life quicker than anyone can imagine. Boom and bust cycles in the long run, however, have worn away at the stability of many towns. Their leaders are looking for ways of transforming these communities so that they will be less dependent on the vagaries of individual commodity prices. They want a more diversified economic base on the assumption that this in turn will stabilize the local social organization and support systems.

Unfortunately the Canadian academic world is not all that helpful for students, policy makers and local activists interested in these issues. Although, as the literature review in a later chapter illustrates, there have been studies dealing with some of these problems, numbers would not be described as voluminous. Very few studies have dealt with the current issues of workforce adjustment to economic change and community responses to these crisis situations. This report is intended to bridge some of the gaps in the literature by showing how a

community, a major resource corporation, governments and a union responded to one such crisis in Lynn Lake in northern Manitoba.

This report is intended to serve as a case study for those interested in learning more about how those involved in the Lynn Lake situation responded and the types of institutional responses they thought were most appropriate in their circumstances. While one has to be cautious about suggesting how much others might learn from the Lynn Lake experience, it is hoped that this analysis of their struggle will provide valuable insights in the study and improvement of life in Canadian single-industry communities.

The project began as a result of Sherritt Gordon's decision to close its mine at Lynn Lake. Despite this bad news, community leaders fought back and looked for ways of saving their community. The company entered into negotiations with the federal government and along with the participation of the Province of Manitoba, put together a deal which led to the opening of a new mine and mill operation.

Ottawa entered into such an agreement through its Innovations Program, part of the Canada Jobs Strategy in the Canada Employment and Immigration Commission. This new program was established to receive proposals from the private sector without attaching many conditions beforehand. This enabled senior public servants to negotiate a flexible contract and eased the way for Sherritt Gordon to take on activities foreign to that corporation. The contract also funded and encouraged, through new support systems, broadly based efforts to diversify the economy in Lynn Lake and surrounding settlements.

This report recounts this effort through the evaluation of the federal expenditures demonstrating the success of this initiative in its primary objectives. Although there is room to criticize the corporation and the two levels of government for not going far enough in their support of the new community organization, there is more to be learned from seeing how some objectives were achieved rather than arguing against such an arrangement. In this respect, the study can contribute to a better understanding of possible ways of responding to our single industry communities in crisis.

2.0 THE STRUCTURE OF THE STUDY

The original purpose of this research project was to provide Employment and Immigration Canada with an evaluation of the "Lynn Lake and Northwest Manitoba, An Alternative Community Future" project. The research was designed to incorporate a review of all documentation, interviews with key persons in Lynn Lake and elsewhere, and a survey of residents in Lynn Lake. The contract between Employment and Immigration Canada and Sherritt Gordon Mines Limited featured three major components each of which was to be evaluated. The total value of the agreement, signed originally in 1985, was $8,954,497, of which $4,007,598 was to be provided by the Government of Canada through the Innovations Program of the Employment and Immigration Commission.

The report concludes that the project was successful inasmuch as Sherritt Gordon retained an experienced mining industry workforce and trained employees for new jobs in its new mine and mill operation. All contractual obligations were fulfilled by the company. Departmental officials were able to approve expenditures quickly because of documentation provided by Sherritt Gordon. Both parties reported high levels of satisfaction with their working relationships and were willing to enter into similar arrangements in the future. As a result of this contract, a trained workforce was operating the new MacLellan mine and mill set-up.

Since the problems of Lynn Lake are similar to those of many single industry resource communities across Canada, the study analyzed the impact that the economic and community development components had for solving the more nebulous but equally important problems found outside the workplace. The study concluded that work carried out under this contract led to the creation of new community organizations. These groups brought together diverse interests from several communities for the purpose of forming a new coalition for solving commonly-shared problems. This strategy was unique in the history of single industry communities but as the literature review highlighted one which is very crucial to their survival. The work in Lynn Lake is now widely known across Canada as it led to the formation of the Canadian Association of Single Industry Towns, the film "Fighting Back," and a series of public speeches by senior

executives of Sherritt Gordon. One of the more significant findings was the positive role played by consultants in program design, documentation and information dissemination.

The shortcomings of the project were generally in the areas associated with activity outside of training. The provision of counselling services went largely unnoticed in Lynn Lake. It is too early to measure the impacts of the Northwest Manitoba Development Corporation except to note that its structure and mandate are currently more important than any single activity. However, an assessment can be made in the fall of 1989. Finally, the company did not make many personnel adjustments to accommodate the extra workload assumed by executives and mid-management as a result of additional community-based activity.

Overall, the Innovations Program is seen as a positive program for achieving the objectives set out in the original contract. It is particularly attractive to those in the private sector who have not had much previous experience in working with the federal government. The documentation system designed by the consultants for this project met with the approval of everyone and allowed for easy access to data, quick payments, and general project accountability currently a major issue in public administration studies. The improvements for future projects should be in areas which will ensure the capacity of the community as a whole, and the company in particular, to continue to develop strategies for economic diversification and social stability. Given that the literature emphasizes just how widespread these problems are likely to be for the foreseeable future, the framework supplied by Innovations Canada was most suitable to everyone concerned. The report concludes that the federal government continue to develop flexible programming to respond to the problems of single industry communities across Canada. As it is estimated that the total number of communities at risk could be in the hundreds, particularly if the definition includes small agricultural centres, the federal government can assume that requests for support will increase in the coming months. The success of Lynn Lake will no doubt bring out other worthy applicants. Consequently, it recommended that Ottawa not wait for distress signals but actively plan to deal with communities encountering economic and labour market difficulties.

The report recommends that flexibility be ensured since most community leaders, in the case of Lynn Lake, had no knowledge of how to handle federal programs. The task of creating a strong working group takes longer than a few months and it is recommended that any community economic development component recognize the long term resources required to diversify a local economy.

Although the report found the company's participation to be very positive, it is recommended that in future contracts ask for more evidence of corporate commitment over the longer term. This can be assessed in terms of internal budgetary allocations for communications, revision to corporate mission statements, changes in human resource policies, new job descriptions for plant-level managers to include community economic and social development work, and/or additional support systems to aid managers in these new supportive roles in their communities.

2.1 The Foundation

The foundation of the single-industry town obviously lies in the singular nature of the community's economic base. A majority of these townsites depend on the viability of the dominant industry, whose market success is increasingly dependent upon forces beyond its own control. Few Canadian companies so dominate their particular commodity market that they can easily determine profit margins, employment levels and long term investment strategies. This insecurity in the marketplace is acutely felt in the communities who have no voice whatsoever in what happens around the world. For the past decade a quiet, but important, shift has taken place in the consideration of the plight of these industries. At one time decision-makers in both the public and private sectors thought primarily at the macro-level; about policies to maintain competitiveness in international markets. Then, employment issues at individual worksites gradually entered the agenda and currently decision-makers focus considerable effort on the social problems associated with the rapid decline of the major local industry.

The prospects for securing the economic future of Canada's many single-industry communities has gained the interest of many different parties. Given the investments everyone has in these settlements, the interest is a reflection of the reality that huge losses are suffered whenever a production site is closed in a remote single-industry town. Employees worry about income security, family stability, personal mobility, community attachment, relocation costs and job opportunities. Provincial governments consider regional development, social welfare costs, transportation, education, housing and local government infrastructure costs. Private corporations analyze new markets, human resource policies, capital expenditure programs, union-management relations, negative publicity and investment in the community. Individuals are concerned about local businesses, recreation facilities, community health and opportunities for young people. Local governments are anxious about declining populations, the erosion of the tax base and the elimination of crucial public services. Finally, the federal government, in addition to its concerns about the health of the resource industries as the cornerstone of much of the economy, is concerned about U.I.C. expenditures, employment strategies dealing with training, income stabilization, and mobility, and regional economic development policies.

Each of these groups has a direct and vital interest in these communities and form the diverse audiences which have taken an interest in the Lynn Lake project. This particular effort saw that all of the interested parties had a role to play in the eventual design and management of the project. This effort represents one of the more widely-based community planning efforts in the employment and training fields. In tackling so many problems, the project had to respond to many insecurities in a short period of time. In that respect, the central message that emerges out of this report is that it is important to learn what can be done quickly and what takes time before positive results are widely appreciated. In those areas of employment, where tasks which required identifiable training schedules were not heavily dependent on outside factors, the company, its consultants, government officials were quickly able to implement effective work plans. When these tasks were influenced by outside factors (i.e., the rate at which outside contractors completed their contracts or the arrival of equipment), the pre-arranged schedules had to be discarded and new ones designed as work progressed. This required innovation and stands as one of the most

satisfying aspects of the project. In the end, the work was done, the training completed, the workforce in place and the monies accounted.

The project could not move as quickly on the community front. Diverse interest groups from several communities are still working out new relationships and settling on their priorities. The project accomplished its major objective of creating new organizations in the region, but this is short of establishing an entirely different way of approaching economic and social problems in a settlement. This takes time. Handing off a new group to other funders, once the major training component was complete, created a situation which is tenuous at best.

The report deals extensively with the role of consultants as their contribution turned out to be pivotal to the eventual success of the project. All the parties were assisted by the consultants and, perhaps, most importantly, their role was recorded and explained to the various audiences by the consultants using film, conferences and other media as available. This has resulted in an effective means of providing sophisticated, professional advice to remote communities. It also demonstrates the extent to which information systems can now be set up and shared across the country in a way that satisfies government reporting requirements and corporate data collection processes in a reliable, flexible and co-operative fashion.

The Lynn Lake project has emerged over the past three years to symbolize the plight of single industry resource communities across Canada. Several reasons can be given for the revival in interest in these communities. Resource companies in general, and mining companies in particular, have been the major source of employment in remote settlements scattered throughout Canada. They have not found the same financial success in the past fifteen years as they enjoyed in the first seventy years of this century. Although these industries are fully attuned to the boom and bust cycles of commodities, the current restructuring of the global economy has put pressure on Canadian resource corporations. Indeed, they did not benefit very much from the economic boom of the eighties, a fact that disturbs senior executives when they contemplate the future of the industry. Not only has the financial viability of many operations been threatened, so has the

workforce. The mining sector has shrunk in importance as an employer, as producer after producer has needed to downsize its workforce. Perhaps the best-known Canadian example is INCO which currently has an Ontario workforce of less that 7,000 (down from 20,000 twenty years ago).

The Lynn Lake story will strike a responsive cord in the hearts of many Canadians whose communities have either gone through these traumatic changes or have had the fear of closure, shutdowns or layoffs haunting their lives for months, and even years. For them, the story of a small town struggling against a slow demise is more than just idle curiosity. They also need to know how best to fight back.

The Canadian academic community has witnessed a revival in interest in research in small towns. This partly reflects Canada Mortgage and Housing Corporation's funding of two major research institutes, the Rural and Small Town Research Studies Programme at Mount Allison University and the Institute of Urban Studies at The University of Winnipeg, both of which have undertaken major studies of the problems facing single industry settlements. More recently, social scientists interested in the industrial and social impact of plant closures have written quite extensively about resource towns in Canada. A new body of literature has emerged to help us understand what is happening to jobs and careers in these communities. Another factor is the recognition by federal, provincial, and local governments that the traditional role of the resource-based corporation has changed and with it so has the tax base, the employment factor, and the stability of these communities. Thus taskforces, research studies and new programs have been commissioned to respond to these problems. The Lynn Lake project becomes an excellent case study opportunity for the evaluation of public responses to local problems and for the communication of these findings to the varied audiences which have taken an interest in the future of small single-industry communities.

Finally, the response of corporations, unions, associations and community development groups shows the extent to which we are in the midst of some fundamental changes. During the Lynn Lake project each group came to a different understanding and appreciation of their role if the community were to

survive and if a more successful strategy in employment, social stability and entrepreneurial development were to be found based on a manageable consensus. Following the Lynn Lake project these groups wanted to tell their story and to disseminate their experience through speeches, films, brochures and their general participation in relevant organizations throughout Canada. This case study is an evaluation of the project and is another means of communicating what happened in Lynn Lake during these critical months.

2.2 Project Objectives

The project was intended to test the feasibility of a private sector organization assuming a leadership role in activities designed to minimize the impact of a mine closure and subsequent downsizing of the mine labour force on a single industry, resource-based community. The Lynn Lake, Manitoba project had three main components:

a) The Sherritt Gordon Labour Force Adjustment component was to prepare alternative work arrangements and training for workers affected by the closing of Fox Mine which for several months was scheduled to be shutdown by the company. This component was to bridge the gap between this closure and the opening of the nearby MacLellan Mine.

b) The Northwestern Manitoba Economic Adjustment component was to provide the organization for the exploration of the potential diversification and expansion of the regional economy, with a focus on both those affected directly and indirectly by the downsizing of mining activity.

c) The information system and documentation component was to design, develop and implement information systems to provide appropriate and timely information in order to manage effectively the pilot project, and to report on its operations and outcomes.

Schedule A of the original agreement stated that the project had six major objectives.

1. To avoid immediate layoff of the 270 Fox Mine underground and surface employees who were to be redundant upon closure of the Fox Mine operations.

2. To achieve a significant reduction in the number of future layoffs which were to result from the closure of Fox Mine.

3. To have in place at the end of the project a retrained but downsized workforce for the MacLellan Mine.

4. To maximize employment opportunities at Ruttan Mine for Fox Mine employees.

5. To contribute to the process of providing employment services to employees and other affected individuals in Lynn Lake with respect to alternative employment opportunities.

6. To document the experience and lessons learned from this project.

The Innovations Program, CEIC, undertook this evaluation of the "Lynn Lake and Northwestern Manitoba: An Alternative Community Future" project to determine the impact of federal government expenditures and programming on employment in this area. Officials were interested in the intended and unintended impact of the project on local communities, related interest groups and the mining industry as a whole. It was also intended that the results of the research would be distributed to those interested in industrial change and community development through different methods including, for example, university curriculum material and continuing education programming.

The audiences which have expressed an interest in this Innovations Canada project are somewhat different from those of past employment development and support programs inasmuch as the private sector has been invited to assist in the delivery of employment services. This unique feature is of wide interest to many groups; consequently, the dissemination of results is as important as the research itself.

As one of the initiatives of this program has been to facilitate private sector and local community involvement in the planning and delivery of employment and economic development strategies, the communication of these results to groups interested in becoming participants is crucial. In other words, this case study shows how the experience of these participants can be transferred elsewhere. The report demonstrates how this particular project worked, from the planning stages through to the completion of the services. Included are the intended and unintended results as well as possible application for other projects and proposals which might benefit from the Lynn Lake experience.

The contract required the consultant to review the three major components by addressing seven priority questions raised in assessing the work to be undertaken and the expenditures to be made. These questions are answered in the context not only of this one case study but also in the context of three related fields of study as seen in the literature presented in chapter 3.0.

1. Did the project prevent the immediate layoff of the 270 Fox Mine underground and surface employees who were to be redundant on the closing of the Fox Mine operations?

2. Was there a significant reduction in the number of future layoffs which resulted from the closure of Fox Mine?

3. Were employment opportunities maximized at Ruttan Mine for Fox Mine employees?

4. Was there in place at the end of the project a retrained but downsized workforce for the MacLellan Mine?

5. How adequate was the provision of employment services provided to employees and other affected individuals in the community with respect to alternative employment opportunities?

6. Have there been significant unintended consequences, positive or negative, within each of the three project components?

7. Have the experiences and lessons learned from the project been satisfactorily documented?

2.3 Methodology

The research questions were approached in such a way to enable verification in at least two different ways. For example, information in the progress report about training was verified through interviews with Employment and Immigration officials and company personnel officers. The community survey noted below is used only to describe some attitudes and values found in Lynn Lake, but is not used to verify other findings.

There are **three** aspects to the research design of this study:

1) **In-person interviews:** This involved the identification of key personnel to be interviewed from among the following groups: the mining company at the

worksite and at the Toronto headquarters; CEIC officials mostly in the Manitoba region; community and association leaders; union officials and consultants. In all, 35 interviews were held.

The interview schedule was about 45 minutes long, consisted of open-ended questions and was conducted solely by the contractor. Several of the key informants were interviewed at least twice and some were used on a regular basis as resource people. The interview format was designed to deal with each of the six areas, as outlined in the scope of work, where applicable to the role of the interviewee.

2) **Community Survey:** The community of Lynn Lake was surveyed to determine attitudes of residents (employees and non-employees) in areas such as community and family life, job satisfaction, personal values and the future of small businesses. All 450 residents were given a fifteen minute questionnaire to be completed on their own and to be picked up individually by a research assistant. The questionnaire was designed and pre-tested in Lynn Lake during the week of April 27th, then re-drafted and distributed the week of May 4th, to be collected and analyzed by the week of June 15th.

The questionnaire was circulated to all occupied homes in Lynn Lake, estimated to be 425-450 units. Precise figures were hard to obtain because of people moving out monthly. The questionnaire was distributed through the local post office, along with a letter of support from a prominent resident associated with related community development undertakings. Arrangements were made to pick up the questionnaires in a sealed envelope by a door-to-door canvas by the senior researcher and local students. Of the 450 housing units, it is estimated that about 100-125 households were Native. Of the 300-325 non Native homes, 65 respondents or about 20 per cent responded. This sample was not as large as anticipated although several efforts were made to collect the survey. It was generally thought that from a strictly methodological perspective retrieving a questionnaire from the homes of shift-workers, would be difficult. Compounding this problem was something as simple as the snow; and something as complex as the insecurity of the possible respondents. We were told that the town residents were insecure due to rumours about the company selling out (which in fact it did

later the same month) which made everyone nervous about filling out any questionnaire regarding their work and community. For these reasons, the results are used sparingly in this study.

3) **Documentation:** All relevant documentation from Sherritt Gordon, the Northwest Manitoba Development Corporation, CEIC, and the consultants, including film and promotional material on the Canadian Association of Single Industry Towns has been reviewed. The documentation includes progress reports, contracts, an internal evaluation study, feasibility studies, newspapers and files from relevant organizations funded by CEIC.

2.4 Summary

The study was designed to first review the pertinent literature to put this study in the context of other major studies; to examine in turn the Sherritt Gordon Labour Force Adjustment component and the Northwest Manitoba Development Corporation; to describe additional results including national communication programs, and finally, to make recommendations for future Innovations Canada projects. In the next chapter, the issues and the community are outlined in greater detail.

The report documents the ways in which the Lynn Lake project worked well and where it had shortcomings. The overall thesis of the report is that the project was an effective response mechanism to the direct and indirect problems being faced in that region by the closure of the Fox Lake Mine and Mill operation. Beginning with the history of the Lynn Lake project, the report frames this research as much as possible within the context of other Canadian studies and reports. As a result, several recommendations are suggested in developing new projects designed to assist single-industry communities.

3.0 LYNN LAKE AND ITS INNOVATIONS CANADA PROJECT

Lynn Lake was not the only single industry community facing difficult times in 1985. If anything it represented a class of Canadian communities undergoing a transformation of large proportions and, as such, stood on the edge of disappearing or of beginning a substantially different life cycle. Facing dire times, the community managed to set up a project that gave its residents more time at their jobs and through their community efforts a chance to plan different futures for the region.

Like most single industry communities, the narrow economic base and the consequent predominance of the industry in community life has magnified and complicated the difficulties faced by all parties under these circumstances. There have been several policy approaches to communities under stress, but to date no single paradigm has emerged as the answer to all the problems. The problems are particularly severe in older resource towns; communities established during an earlier time when companies, markets and jobs were expected to last for generations, if not forever.

Although there are many problems facing communities such as Lynn Lake, the overriding concern is the insecurity associated with its dependency on a single economic base. This problem is even more trying if it means one employer in one industry dominating the scene, as was the case of Lynn Lake. Living in a Canadian resource community means being geographically isolated and numerous observers have worried about the quality of life in these settlements as compared to urban Canada. Residents of resource communities face problems of career mobility, family tension, alienation, as well as poor housing, education, and health care.

The residents of Lynn Lake were typical of many such communities as they wrestled with declining life opportunities. But through modern telecommunications they also watched television originating in Detroit, and listened to reports of traffic tie-ups in Toronto as announced on the FM station transmitted in their community. The juxtaposition of opportunity and decline could be noted in other ways. Events dating back a decade, marking the beginning of serious trouble in

the Canadian base metal industry had brought Lynn Lake to its difficulties of 1985.

When single industry communities face an economic crisis, governments and industry must contend with hard decisions about whether or not to take special measures. In this case, both the community and the company were prepared to be involved and thus the federal government had to decide how best to enter into agreements and which instruments could satisfy the needs of the various parties. The options ranged from total non-involvement and picking up the costs through existing UIC benefits and programs, to designing an approach which would maximize personal, community and corporate benefits at a minimal cost to the federal government.

The mining industry also by the mid-1980s began to recognize that it faced very difficult problems in its human resource strategies. On the one hand, because of other major resource projects in the 1970s, the boom in high technology industry, and other factors, the mining industry was having difficulty in attracting certain trades and professions. With its worksites among the most isolated in Canada, the mining industry has not always been able to attract skilled groups. As a consequence, the industry which had always depended on in-house training programs recognized that a greater effort would have to made if it were to secure a more sophisticated labour force. Most companies have come to the conclusion that the development of training programs is an integral part of their human resource plan. The development of a training staff and instructors is usually done quickly, by working with the best available people already on staff. Existing work areas are generally used requiring little additional space or construction. Thus, an opportunity to retrain a workforce such as the one in Lynn Lake was unique for Sherritt Gordon but managers knew about in-house training. What was different was the scale of the training and also the commitment of management to work outside the company to help diversify the region's labour market and economic base.

Prior to discussing the evaluation of this project, background information about the community of Lynn Lake, the mining and milling operations of Sherritt Gordon and the methodology of this study is presented.

3.1 Lynn Lake, Manitoba

Lynn Lake, located in northwestern Manitoba, is the most northerly point in Manitoba accessible by car or by train. Its population base of 1,350 makes it the second largest settlement after Leaf Rapids (which has a population of 2,000 and is located 85 km. south), in a region of 7,500 residents. The economic base is directly dependent on the mining industry through milling, exploration, mining and supplies activities. The region has limited tourism and traditional Native economic activity. Lynn Lake serves as a public administration and transportation centre in a region where the unemployment rate is 20-25 per cent.

The discovery of the Lynn Lake ore body occurred in the fall of 1941. As its mine, Sherridon, located 250 kilometers south of Lynn Lake was depleted, Sherritt Gordon moved equipment and by 1952 had closed Sherridon and set up 120 housing units at the new Lynn Lake townsite. From 1951 through to the mid-1960s the town expanded and peaked at a population of about 3,000 in 1975; since then the decline has been rapid. The town has lost over half of its population in a very short period.

The reason for the establishment of Lynn Lake was the existing ore body and not much has changed in the past forty years. The original mine was replaced by a second, Fox Lake, in 1961, and for the next 25 years it provided the focus of activity for Sherritt Gordon Mines. It experienced a rapid decline from 1983 and was finally closed, December, 1985.

The full impact of the Fox Lake closure was mitigated by the development of the new MacLellan mine and mill operation, to be discussed more fully later in the report. Because its life is thought to be only five years, the immediate security of the workforce is coloured by this uncertainty; after all, five years does not represent many months of employment, nor is it a long time in matters of family planning. As a balance to this, there is considerable optimism that the mineral potential of the Lynn Lake region might offer several employment alternatives to the MacLellan mine. For example, two discoveries at Farley Lake and at Fuffy Lake have the potential of new mining operations. Although these are both within the Lynn Lake region, they are also not far from Leaf Rapids,

the major competitor for any economic benefits from new developments. Since the provincial government has, over the years, invested more extensively in Leaf Rapids, Manitoba's policy is likely to favour development there. The sale of the Sherritt Gordon Leaf Rapids operations to the Hudson Bay Mining and Smelting Company (HBM) in June, 1987 will further shift emphasis to Leaf Rapids and isolate the Sherritt Gordon operation in Lynn Lake. HBM is showing that it is expanding investments in Manitoba while Sherritt Gordon is doing exactly the opposite.

3.2 Mining and Milling Operations of Sherritt Gordon, Lynn Lake

The MacLellan mine is located within 10 km. of Lynn Lake. Having mined out the Farley (copper-nickel) and Fox (copper-zinc) mines in the same vicinity, Sherritt Gordon Mines optioned the Agassiz property in 1979. It then began exploring other geological gold/silver formations in the area. This eventually led to the MacLellan mine coming into production. The new mine is owned by SherrGold, a company 60 per cent owned and completely managed by Sherritt Gordon. Operational targets were for a 1,000 short tons to be taken daily from the mine and milled in Lynn Lake. The underground mine uses a form of mechanised cut-and-fill method on two levels; the ore is then hoisted in two 4-ton ships and trucked to the mill. The mill uses the latest carbon in pulp process, and has a water detoxification system. The new operation is housed in an old mill complex and incorporates both new and used equipment.

The central purpose of the project was to minimize the impact of the closure of the Fox Lake mine and mill operation on the Lynn Lake area workforce of Sherritt Gordon Mines Ltd. There were, of course, many other equally interesting issues, but it has to be remembered that the project began out of the singular overriding consideration that a workforce was about to be laid off because of a mine closure.

From 1982-1985 Lynn Lake experienced a great deal of insecurity as the mining company's decision to close the depleted Fox Mine was gradually acknowledged as final and irreversible. Most of the literature on plant closures, in general and on

the resource industry in particular, indicates that employees are reluctant to admit that an impending shut-down is actually going to happen.

During this same period, the company was weighing the feasibility of opening a new mine, later to be named the MacLellan Mine. While at first glance this would seem to answer all the problems of Lynn Lake, it was not the solution. Firstly, the MacLellan Mine was not scheduled to open for several months after the Fox Mine was to be closed which left the question of what to do with the employees during this construction period. Secondly, the new mine was for the extraction of a different commodity, gold, instead of copper and zinc; therefore, the mining operation was to be considerably different. Thirdly, the company was known to be in serious financial hardship, thereby limiting its flexibility in putting together creative employment arrangements beyond its collective agreement obligations. Fourthly, even if the new mine and mill were started up, they would not require a workforce of the same size as the one currently employed in the Lynn Lake operations.

These, then, were the major concerns of the company, union, and governments as they entered negotiations in 1985-1986 to answer some of these problems. It was decided to endorse a strategy with a broad enough mandate to tackle as many of these problems as possible in a short timeframe. Deciding what to do with the 270 workers required planning several activities simultaneously including training, transfers, job search and employment counselling services.

In August, 1985, Sherritt formally proposed to the Federal Minister of Employment and Immigration that a pilot project be undertaken to test the feasibility of a private sector organization assuming a leadership role in undertaking activities designed to minimize the impact of a mine closure and subsequent downsizing of mining activity on a single industry, resource-based community. The activities were originally intended to be carried out between November, 1985, and August 1986 but had to be extended for two additional months. The company based activities were to include the development of the mine, the construction of the mill and surface facilities, including installation of new equipment, and the training of workers in new mining and milling techniques. The evaluation study was to address specific questions about the Sherritt Gordon

Labour Force Adjustment component; these will be answered in the analysis in this section.

Since the project involved considerable energy in developing unique community organizations, it should be noted by way of introduction that Lynn Lake has undergone considerable change in the past decade. Most of these changes have created additional tensions which in turn make government intervention strategies more complicated than would first appear. Two indicators of these basic transformations are the rising percentage of Native residents and the declining price of local housing. The former is primarily a result of harsh conditions elsewhere in the region; the latter by the exodus of mine workers.

The future development of Lynn Lake is likely to be greatly affected by the regional employment prospects of the Native population, who are a major concern in Manitoba's economic development strategies. In this case, a large Cree population is centred on the Pucatawaageon Reserve, a settlement approximately the same size as Lynn Lake located about 80 miles to the south. Living conditions in the settlement and those of other Native-dominated settlements in the region have had a direct influence on the economic development of Lynn Lake. In these isolated settlements, there are very few jobs and housing is inadequate for the many large families; consequently out-migration is quite common. Lynn Lake - with its public services, inexpensive housing, and modern setting - is a natural destination in the area.

Evidence of economic decline and hardship can be found in housing quality and pricing. Research staff at the Institute of Urban Studies, The University of Winnipeg, having recently completed a major study in Lynn Lake, estimated that of the 162 private rental units counted, 40 per cent were either empty or out of service. On average a three bedroom house would sell for $7,000 - $10,000, while $25,000 - $35,000 would be an exceptional or outstanding price. The company has pulled out of the housing market and now owns 42 units of various sizes. Canada Mortgage and Housing Corporation (CMHC) owns 58 units, of which a full two-thirds (67%) are either out-of-service or vacant. The total number of occupied units is estimated to be in the 425-450 range.

For a short period in the 1970s many Native families lived in a 'tent city' on the edge of the townsite; more recently, housing researchers have spotted squatters in empty apartment buildings. This transformation puts Lynn Lake at an important moment in its transition. Any initiative to answer these housing problems is best understood in the context that as services are expanded for Native people, the more in-migration will result due to the extremely poor working conditions in their own communities. For example, the more adequate housing provided, the more likely people will move in looking for similar accommodations.

3.3 Summary

It is within this setting that Sherritt Gordon and CEIC entered the Innovations Canada Project. Lynn Lake represented a case of a single industry town in decline; the company was operating a borderline mine and mill in a difficult industry; and the federal government was anxious about levels of employment in and outside the mining industry in northwestern Manitoba. The stage was set, not only for solving local problems, but also serving as a case study of interest to several parties throughout Canada.

4.0 LITERATURE REVIEW

4.1 Introduction

The purpose of this review was to bring forward community studies, government reports and industrial research papers in which ideas and hypotheses were being explored in ways related to the Lynn Lake experience. By putting this project in the context of what has been tried and what research has been recently carried out, the results in Lynn Lake could significantly impact the development of future programs and projects. It is easier to move ahead when the evidence begins to accumulate concerning proven needs, effective expenditures and workable contractual arrangements.

The literature dealing with this topic is expanding rapidly and now represents established fields in the social sciences and in public policy research. Three components of existing research are important: Canadian community studies, particularly the study of one industry towns; government reports on the future of single industry towns and the various resource industries; and employment-related research on the closure of plants, mines and other industrial plants.

4.1.1 Community Studies

Writing over sixteen years ago, Rex Lucas set out to destroy the myth that Canada was turning into a nation of big cities with few people living in the countryside: "I had never realized before how many people in Canada live nowhere."[1] His study of single industry towns across the less populated regions of the country sounded the alarms of change. His research was an effective balance to the work being published by social scientists, planners and urban activists who only addressed the problems facing cities; what they considered the only problems facing the country. Thus, the importance of Lucas' work is that it gave small settlement research a stronger theoretical orientation based on an international body of literature rooted in long traditions of community studies. Furthermore, Lucas brought into the picture the distinctive Canadian phenomenon of single industry towns. Although other northern countries have had to confront problems of resource development in small, segregated settlements, few if any have had to face the spectre of several hundred such communities spread across remote and isolating terrain. Rex Lucas' publication had a popular following and brought together a more united consciousness in thinking about these settlements. A Canadian researcher had finally suggested a research model that brought together the life experiences of residents, who, because they were spread throughout the country, had not previously realized how much they had in common. From its 1971 publication date to the present, this book has been the cornerstone of studies on small, single industry towns.

---

[1] Rex Lucas, *Minetown Milltown Railtown* (Toronto: University of Toronto Press, 1971), 2.

A decade after Lucas' *Minetown Milltown Railtown*, Roy T. Bowles of Trent University published two books in the same field. One, *Little Communities and Big Industries*, is a collection of articles covering both historical processes and current policy problems. Writers deal with several research problems including the social characteristics of mining communities, the impact on workers of different commuter employment strategies and the role of women in single-industry communities.

Of more direct importance is Bowles' literature review of impact studies in his *Social Impact Assessment in Small Communities: An Integrative Review of Selected Literature*. The study deals with some of the more general theoretical models being used in community-oriented research including social indicators, cost-benefit analysis and environment impact assessment. Bowles makes the distinction between vital and non-vital communities, which interestingly enough, was a point raised in interviews in this project for predicting the success of government-sponsored community development projects. The question raised is "How do consultants and policy-makers know beforehand if a community has the 'energy,' the 'critical mass' or the 'drive' - whatever one wishes to call it - to succeed?" In a vital community, he concluded, "it is possible for the leadership of the particular collective to mobilize resources from within the community and to engage external community agencies [e.g. provincial governments] in such a way that an effective power position can be consolidated."[2] He then outlined a very useful typology contrasting the characteristics of vital and non-vital communities.

Two further theoretical propositions are helpful in these fields of study. Bowles deals effectively with local economies within Canadian communities. By bringing together a number of previously published studies, he suggests the negative impact that resource industries can have on the viability of the local economy, particularly if "the activities required for participation in its conflict

---

[2] Roy T. Bowles, *Social Impact Assessment in Small Communities, An Integrative Review of Selected Literature* (Toronto: Butterworths, 1981), 51.

with the activities required of the local economy, or if the motivation to participate in the local economy does not persist."[3]

Bowles also briefly notes that employment issues are the subject of many studies and that researchers are not inclined to accept the hypothesis that resource developments bring employment opportunities to local residents. Most of the specific points deal with the literature on northern Canada but his major conclusion that construction usually does not involve local labour was particularly useful to test in the Lynn Lake case.

John H. Bradbury and Isabelle St. Martin, in an article written subsequent to the publication of Bowles' research, characterize the literature as being "ordinarily focused on the establishment of new communities, on town and regional planning, and on the growth of the economic base." They argued that too little attention had been paid to the processes of decline or to the "phase of uncertainty evident in settlements where decline is taking place."[4] The purpose of their paper on Schefferville, Quebec was to address this gap in Canadian research.

Their starting point in the literature was also Lucas' *Minetown, Milltown, Railtown* because the author had identified four stages to the life of a single-industry community. Of these stages only the third and fourth are relevant to this discussion. In the third stage, the community is in "transition" as responsibility shifts from the company to the community. In its new role as institutional citizen, "the company-employer-landlord-planner-legislator mode" changes to a company largely concerned with running its business. During the fourth, mature phase, the community is characterized by a lack of mobility in the adult workforce, by an increasing number of retirees in the town, and by the forced emigration of youth from the community.

Bradbury and St. Martin make the point in their review of the literature that Lucas' typology does not go far enough as we need to understand the winding

---

3 *Ibid.*, 77.

4 John H. Bradbury and Isabelle St. Martin, "Winding Down a Quebec Mining Town," *Canadian Geographer* XXVII, 2 (1987): 129.

down and closure stages. In other words, these researchers sought to re-shape our image of the life cycle for Canadian single-industry communities. Instead of conceptualizing the development as linear or a series of ever improving steps, they argue it might be more useful to see each settlement as having a life cycle, with a clearly recognizable beginning and end point. In every sense, then, the site of a single industry community can be returned to the form before the company arrived. Or it can be so transformed that its existence is entirely independent from reliance on the one industry that built it.

The policy question that arises from this hypothesis is that economic growth will not always be sustained by the original corporate investor in the single industry towns. Thus, a moment in its historical development comes when it may be transformed by new economic activities, unrelated to the original resource production processes, which can sustain a modified population base. If this does not happen it will begin to wind down and go out of existence. For example, at one time few executives and union leaders would publicly acknowledge that a mine had a measurable, limited life. Currently, we often hear about five or ten year projections; the mine will not be around forever. This suggests that an end can be seen for the resource project and that planning processes should recognize this fact.

It is hard for researchers to estimate how many communities might now be at risk. Lucas originally defined a single industry community as one which had less than 30,000 people and with 75 per cent of the workforce employed in one industry; by this criteria he thought that census data of twenty-years ago listed over 600 such communities. Since then, many reason that agricultural communities can arguably be included in any list of single industry towns. That would mean that a very conservative list of communities at risk before the end of the decade could be as low as 100 and many times that figure if the next recessionary cycle further depresses basic commodity prices.

Bradbury and Martin assumed that the effects of corporate winding down are more severe in a mature community than in a town where emotional attachment and commitment are less developed. Other experts in this field have argued the same point from the perspective that a community's ability to develop an

alternative economic structure was directly related to the commitment of a core group of residents willing to work in a new framework. If a community were at Lucas' mature state, this would be more likely to happen. As Lynn Lake was definitely at the fourth stage, its survival is a test of this theory: can communities continue to flourish after the company leaves?

One Manitoban community study which aids readers to understand more about the historical development of the northern region is Elias' *Metropolis and Hinterland in Northern Manitoba*, a study of Churchill. In this report, much can be learned about the historic and present roles of Native people in the earlier phase of economic development, as well as the relationship of public institutions to the people of these settlements. A second study, *Regional Development in Manitoba's Interlake: Two Perspectives*, is concerned more about regional economic development issues in an area which lies considerably south of Lynn Lake and has quite a different history in its economic development. However, from this research project it is possible to gain an appreciation of how provincial and federal governments in the sixties and seventies approached questions of regional decline and remoteness. Their investment strategies, directed through ARDA and FRED agreements did not achieve the objective of building a more independent economic base for this depressed region. The researchers from the University of Manitoba listed seven lessons to be applied to future development including: linking manpower training programs with both capital construction and operations; generation of significant local urban impacts on income and employment; establishment of stable rapid-growth industries in other fields; preservation of natural resources and cultural heritages; and, promotion of regional social integration.

The best source book on single industry towns is a literature review compiled by Robert Robson (Research Fellow, Institute of Urban Studies, The University of Winnipeg), for the Rural and Small Town Research Studies Program, Mount Allison University, Sackville, N.B. This recent publication consists of seven chapters reviewing the major themes in Canadian research covering fields such as sociology, planning, economic development, business, history and local government. The studies are then listed in detail and each of the over three hundred entries is given a capsule summary. This is by far the most up-to-date and

comprehensive summary of this field and is the most appropriate place to begin any study of single industry communities in Canada.

From this theoretical discussion, Canadian social scientists can draw a picture of resource communities undergoing significant changes in the face of world market conditions, corporate reorganizations and labour market factors. In the 1980s, these communities are being forced to change and to adapt to circumstances not necessarily of their making and certainly not of their own choosing. For generations, dating back almost a century, Canadians have settled into single industry communities with feelings of optimism and resilience. Citizens of resource towns have a general understanding of the ups and downs of resource industries and accept the bad times. However, sacrifices are made on the assumption that in the long term the community will survive and that employees can count on jobs for their children.

It is now more widely appreciated that many of these communities are no longer going to survive if they are totally dependent on the resource industry. While academic analysis has been excellent in marking these changes and in observing the transformation of single industry communities, it has not been as effective in suggesting strategies to deal with this crisis either at a macro policy level or on a community by community basis.

Only one publication deals effectively with this problem, a case study of Atikokan, Ontario where the Caland Ore Co. Ltd., shutdown an iron ore mining operation, started in 1960. The booklet, entitled *Exit with Excellence*, details the steps taken within the company during the final months of operation. Using an outside organizational development and training team, the company went through an intensive seminar process to aid management in dealing with termination issues including compliance with laws, leases and agreements, administration of physical assets and public relations. The purpose of the booklet was to explain that while the closure of a mine is nothing new, what was interesting about the closure of the Caland mine was that "what usually happens, did not. No shutdown fever, no arguing strikes marred Caland's final days....It was brought about by a strategic

planning process proceeded by a significant change in the attitudes and values of the mine's management."[5]

The Lynn Lake project is an important extension to the literature because it fills a significant gap in showing how the community, government and the mining company worked together to build a new organizational framework and funding process for helping out at a critical moment in the town's history. The literature review indicates that while parts of this experience have been noted elsewhere, no where has a case study been put together to show a successful story in saving a single industry community.

4.1.2 Government Reports

The provincial and federal governments have been active in these same fields from three perspectives: employment issues; regional development strategies, including the future of small isolated communities; and, the vitality of resource industries with specific reference here only to the mining sector.

One of the first groups to report on these issues in the 1980s was the Task Force on Mining Communities established by federal, provincial and territorial ministers with responsibilities for mining. In its report, the Task Force established that the following considerations were important in the implementation of an economic diversification planning and implementation process:

1. the opportunity and potential as indicated by the presence of other natural resources, accessibility, location and environment;
2. lead time given by the mining company of the impending cutback or closure;
3. the designation of an agency with an explicit mandate to take responsibility for diversification;
4. role of senior governments as noted in their attitudes, resource allocations, programs and expertise,
5. community resources and attitudes including factors such as infrastructure, services, recreation and social resources, the commitment of the local

---

[5] Werner Bartsch, *Exit with Excellence: How One Unusual Shutdown Transformed Mining Traditions* (Atikokan, Ontario: Quetico Press, 1983), 1-2.

leadership and, however intangible, the general determination of the townspeople, and

6. access to financial and human resources.

The Task Force identified three barriers to the diversification of existing mining towns.

1. Lack of scale match. Most industrial diversification plans involve relatively small scale ventures when the laid off workforce might involve 100-1,000+ employees. In other words, it can take an enormous effort to create an equal number of jobs through diversification.
2. Lack of skill match. The labour force skills required in many ventures are often not the same as those held by employees being laid off. Thus diversification does not "sponge-up" more than a few mine employees without extensive re-training and alternative skill development.
3. Lack of timing. It is often the case that diversification efforts do not coincide with the mining layoffs. This creates instability which in turn leads many employees to leave if given the opportunity.[6]

In the critical weeks when a mine is being closed and diversification efforts just begun, the community-led efforts to build a new base may not be enough to keep mine employees in the town, particularly if training is necessary. This observation strongly influenced the planners of the Lynn Lake project.

As a result of these serious reservations, the Task Force cautioned against relying too heavily on diversification as an answer to a mine closure. In regions where growth has been either static or very slow, it is essential that the development of plans and projects proceed with the realistic assessment that other industries and other communities are under similar pressures and trying parallel growth and development strategies. Competition between these communities is intense.

The *Report* cites the city of Thompson, the regional distribution, transportation and administrative centre for northern Manitoba, including Lynn Lake, as an example of a community unable to diversify after the 1977-78 cut backs at INCO's operation. As the workforce fell from 3,000 to 2,000, the overall population

---

[6] Task Force on Mining Communities, *Report Established by Federal, Provincial and Territorial Ministers with Responsibilities for Mining* (n.p., September 1982).

dropped from 20,000 in 1977 to 14,000 in 1981. The effort to diversify resulted in some short-term public works projects but only minor inroads into secondary industries such as tourism and local business expansion.

Despite examples of failure and the limitations described, the *Report* argues that economic diversification is still an integral component of any cutback/closure response strategy. In fact, the effort itself can produce a stronger community, and a successfully diversified economic and social structure gives residents a wider range of employment and lifestyle alternatives. Once past the first stage, workers during any future cutback situation would have increased opportunities for finding a second job in the local and regional economies as is now the case in the Sudbury, Ontario area, hit hard by cutbacks a decade ago. Similarly, the mining company benefits from having access to a more stable workforce as a result of the more diversified economic base.

A fundamental policy question raised by many interest groups and by the Task Force on Mining Communities is how to deal with the settlements which are not yet in a state of crisis. In theory, this gives the community time to plan for diversification, a process which many senior government officials believe should be encouraged. The *Report: First Annual Conference* of the Canadian Association of Single Industry Towns concluded that all participants from industry, communities and government had to work together to diversify and to ensure that "an economic future for Canada's hinterland regions is a goal supported by Canadians throughout the country. Senior levels of government must be willing to provide the assistance and support needed by individual communities to pursue further economic development."[7]

The Task Force concluded on the same note, recommending that governments encourage communities to prepare detailed diversification plans that identify feasible diversification opportunities, present a schedule for their implementation, specify who is responsible for developing the opportunity, and describe the mechanism for funding. The recommendations could work assuming: opportunity

---

[7] Canadian Association of Single Industry Towns, *Report: First Annual Conference Sudbury, Ontario, September 24-26, 1986* (Saskatoon, 1986).

potential; lead time; lead agency designation; supportive senior government; positive local attitudes; and community access to private as well as public resources.[8]

The Task force's *Report* is particularly useful because it provides considerable data in the appendices which (while some of it might now be dated) serves as a good starting point. Included is a compendium of all assistance programs, task force consultants and advisory members which is one of the better inventories of Canadians experienced in these issues; a list of all mining communities by population size in 1976 and 1981; a review of all layoffs, closures and extended shutdowns as of 1982, by province, company, location, commodity and number of workers, and a review of all federal, provincial and territorial programs for distressed communities.

The final recommendation from the Task Force is particularly relevant in this case study. They conclude that "there is inadequate knowledge of available government programs for communities facing adjustment" and recommended that "an information system be established that would rapidly communicate details of such programs to communities to encourage an early community response."[9]

A second government report, *Mining Communities*, released previously to the Task Force, was the result of research undertaken by the federal department of Energy, Mines and Resources. Part of a series of publications dealing in detail with Canadian mineral policies, this particular report analyzes the social and working conditions at the community level. Topics covered in the report include the physical and social setting, working and living environments, planning, and levels of satisfaction among residents of mining communities. From this report, three issues emerge for consideration.

The first issue addressed is the barrier to mobility of blue-collar mineworkers, mostly miners and tradesman, when related to skills and certification. In most industries, skilled jobs, notably within the trades are subject to certification or

---

8 *Task Force on Mining Communities,* xv-xviii.

9 *Ibid.*, 69.

some type of licensing process. In some cases, the process involves an apprenticeship program that combines a formal educational requirement as well as on-the-job training.

For mine-specific trades, this type of training has implications for inter-provincial mobility. Trade "papers" are generally not available as most fields are not recognized as "trades." In general, these persons are trained by the mining company only for the designated mining operation - training which has limited outside applications.

Suggestions were made in the study that training and certification processes should be changed given that mine closures were likely to be more frequent in the next decade and that miners would need an enhanced image to increase their mobility. In the meantime, within the present system, the miner and the mine tradesperson continue to be trained for mine-specific tasks hindering their re-employment should a shutdown occur.

The second issue discussed is "stress," caused by the economic insecurity in a mining community. "Many studies of remote Canadian communities have demonstrated that they are prone to stress, a symptom of physical and social being divergent from psychological needs." The symptoms of stress most frequently referred to by residents of these communities include depression and other mental health problems; alcoholism and drunkenness; loneliness, and "feelings of insecurity and uncertainty resulting from a state of 'tentativeness' or 'transiency.'"[10]

It is well known that the mining industry is characterized by high levels of turnover. Figures for the 1970s indicate that some mining operations had a turnover in excess of 100 per cent annually. The effects of this turnover are thought to be substantial primarily because an unstable population base hinders the development of more permanent social relationships. The quality of the personal interactions is especially important in these communities where so many

---

[10] Canada, Energy Mines and Resources, *Mining Communities*, MR154 Mineral Policy Series (Ottawa, 1976), 7-9.

urban amenities are lacking. Planning initiatives are further complicated by the fact that officials can never be too sure of who will be around, of how many classrooms, playgrounds, housing units or recreation facilities will be needed.

This study identified two groups in most mining communities. The more stable group featured married couples with children who had lived in the town for some years and had roots there. The less stable is a group of young, single, male workers, without community ties, who do not own property and show little inclination to make an emotional or financial investment in the community. As Lucas noted, the more mature the community, the greater the likelihood to be dominated by the former; the older the town, the more settled the workforce, as was the case in Lynn Lake.

The third issue with which the report dealt was the mobility of the workforce. Underground workers are more inclined to quit than are open-pit employees according to these researchers but not surprisingly those who have worked more than one year and are more skilled are likely to be less transient. Wage rates including bonuses and overtime opportunities account for a large portion of turnovers. Mine workers, especially younger ones take this type of employment intending to work long hours, earn a considerable amount of money quickly and then leave the community. A worker's decision to quit his employment may be made on the basis of job, company or community factors or any combination of these.

"Markets, changes in technology, and size of an orebody create 'boom' and 'bust' situations in mining communities. The economic security of a community dominated by a single major industry depends on the strength of that economic activity. There is a resulting climate of insecurity that often inhibits participation in community affairs, discourages investment in community services and housing and contributes to the high rates of labour turnover. Clearly, one may have serious reservations about raising a family in a community with so uncertain a future."[11]

---

[11] *Ibid.*, 9.

When an enterprise closes in an urban area, the employees can usually find alternative work in the same area, but when mines close in remote localities, alternatives are usually not available. The loss of mine employment contributes to an overall contraction of the local economy and population. The majority of employees must seek out jobs elsewhere. According to the findings of this report, workers filled out applications and followed-up on informal job leads across the country, however, union workers seemed less sure of themselves, and among them, older workers appeared to have made the fewest contacts in all of their efforts to find a job.

The *Mining Communities* study brought together a considerable amount of research done in the period 1960-1975 and particularly in Manitoba. While the report lacks the scientific sophistication of other work being reviewed here, its overview is useful and its suggestions as to the important dimensions of a healthy community are still very relevant.

A third report, circulated by the Ontario Advisory Committee on Resource Dependent Communities in Northern Ontario is the most recent effort to deal with regional development in the context of weak commodity markets. Unlike the previous work cited, this is not based on an extensive research program but more on opinion gained through community visits and by conversations with decision-makers and residents of northern Ontario. The *Final Report* is helpful inasmuch as it picks up on the premise that the future economic security of resource-based regions lies in diversification at the community level. Furthermore, the authors concluded that diversification would only take place once the local leadership had taken the initiative.

Their review of the problems of northern Ontario (which listed problems that could be found in most resource areas of Canada) included: resource depletion, vulnerability to world commodity prices, vulnerability to corporate policy changes, the cyclical nature of resource industries, modernization with associated workforce reductions, community problems associated with new resource developments, the loss of young people, social problems associated with uncertain future, high costs

of living and doing business, high costs and availability of transportation, distance to market and population centres and sparse population bases.[12]

The recommendations dealt with two problems of relevance to this case study. The Advisory Committee had a number of suggestions about improving the capacity of the community in dealing with current conditions. They advocated the establishment of a formal program of "Community Leadership Development." The following topics were suggested as elements of a new approach: leadership and community decision-making methods, networking techniques, the political process, community volunteerism, communications, community education including a thorough knowledge of local economy and resources, economic development strategies, tourism, regional relationships and social planning for the community.[13]

The second area, community and employment adjustments, considered a wide range of issues for settlements under duress because of economic insecurity. Some recommendations were quite straightforward, such as asking resource companies to hold annual public meetings in order that everyone concerned could share an information base. Others dealt with detailed changes in legislation regarding layoff notices, severance, wage loan insurance, vesting and portability of pensions, relocation assistance and plant closures. Many of these ideas are now being discussed where communities are undergoing an adjustment process; thus this is a handy compendium of recommendations requiring further study and probably finding their way eventually into new programs and legislation.

In its study of single-industry communities, the Department of Regional Economic Expansion (DREE) assessed questions of definition and then followed with the exploration of economic models which might assist in the "greater sensitivity toward the phenomenon of single-industry communities and provide the necessary informational framework within which the dynamics of single-industry communities can be accounted for in government decision-making." More so than the other research being reviewed in this report, the DREE report is based on the

---

[12] Advisory Committee on Resource Dependent Communities in Northern Ontario, *Final Report and Recommendations* (n.p, May 1986), 3-4.

[13] *Ibid.*, 45-46.

language of economists in a way which limits its audience and its application to this study. Although such terms as private accounts, loss of wealth, economic accounts and budgetary accounts are foreign to most of this field, the work does remind us of some basic economic questions which must be addressed in the design of national policies. For example, they try to provide a model for income loss by taking into account loss of seniority, decay of general skills during periods of unemployment, change in occupation when an individuals' skills are no longer needed and changes in attitudes leading to decreased productivity.

4.1.3 Employment Studies

The federal government has, over the past five years, published numerous studies on employment issues facing the country. In their analysis of macro level problems facing this economy, they have referred to questions of closures, re-training of the workforce, mobility, and the uncertainty of the resource sectors and some regional economics.

The "Dodge" Task Force on *Labour Market Development* noted problems in rural vs urban unemployment, training and job creation program reforms and special target groups. Many of the policy issues raised in the second section offer the reader an excellent overview of what eventually has to be handled at the community level in a remote place such as Lynn Lake. Questions such as information and placement services, Native employment strategies and the implications of on-the-job training are all noted here as not being new problems in designing more adequate employment programs and projects.

The "Allmand" Report grew out of a House of Commons committee looking at employment and training issues. After their own research was completed and after they had heard from experts and interested parties across Canada, they published *Work For Tomorrow Employment Opportunities for the 80's* which listed 186 recommendations for the government to consider. About twenty-five of the recommendations dealt with problems of remote communities including Native employment and training, access to information about Canada wide job and training opportunities and on-the-job training opportunities. The last point

received considerable emphasis as a means of resolving skill shortages and of increasing co-operation among companies, unions and government. As the Lynn Lake workforce needed to be retrained to use new techniques and technologies, this task force report is of some consequence. In addition, although most of the emphasis in the report, *Employment Impacts of New Technologies*, is on the implications of a computerized information society, there are references and recommendations of interest to this project. In matters such as health, safety and productivity, the task force noted that new technology could be seen as an opportunity to "permit increased participation in decision-making, increased departmentalization and decentralization and increased requirements for managerial skills to control and integrate activities," and, therefore, they made recommendations as to the best way of introducing new technologies to the workplace.[14]

Apart from these reports and others which have been commissioned subsequently, the most important analysis of relevant employment issues is a report issued by the W.E. Upjohn Institute for Employment Research which specializes in employment issues. Entitled *Plant Closures and Economic Dislocation*, this study is a literature review of American studies depicting the impact on workers forced out of their jobs. The authors present several research hypotheses and provide several ideas of what might be examined during times of economic insecurity and transition.

The closure of a mine is similar to the shutting down of any industrial plant, in that the options for dealing with the displaced worker are well-known. Employees can be laid off, transferred, retired early, or retrained. These have been the options typically chosen by companies and found regrettable, but acceptable, to unions and governments. The more pressing policy questions are those of retraining, early notice, and employment development strategies.

The purpose of their research was to summarize and synthesize the results of the most significant plant-closure studies, to highlight what the authors thought

---

[14] Canada, Employment and Immigration Commission, *Labour Market Development in the 1980's* (Ottawa, 1981), 4-5.

to be the most pressing policy questions: re-employment experience of displaced workers, community responses to plant closures, and mental health outcomes of unemployment. The book was organized to discuss the concerns and options of those most affected by a shutdown, followed by governmental, union and corporate strategic responses in light of local, regional, national and international economic factors and legislated responsibilities. Whenever possible they reviewed the literature of European industrial change. They then continued this review by looking at studies of displaced workers including their job search behaviour and subsequent labour market experiences, their participation in programs designed to facilitate reemployment and the outcomes of those programs, and the effects of job loss on mental health.

The authors, Leanne Prial Gordur, Paul Jarley and Louis A. Ferman, summarized the field, including those studies dealing with program evaluation as having very diverse methodologies and conceptualizations. They identified a trend, to consider problems beyond the aftermath of the management decision, the labour market experience of the displaced workers and the effectiveness of programs mounted to assist with the transition. Now there was a greater "preoccupation with community response, with the unemployed family rather than the unemployed individual alone, and with programs that attempt to vary at an early point....Industrial relocation is no longer viewed as a sporadic set of events characteristic of a growing and expanding economy, but rather as uncomfortably frequent symptoms of an economy undergoing an uncertain period of transition."[15]

4.2 Summary

This body of literature, both Canadian and American, governmental and nongovernmental, offers several ideas for this study of Lynn Lake. It puts events in that community in the context of difficult changes being experienced elsewhere and the collective efforts of many parties to see that such industrial disruption does not harm everyone involved. The fact that the Lynn Lake project

---

[15] Jeanne Prial Gordur, Paul Jarley and Louis A. Ferman, *Plant Closures and Economics Dislocation* (Kalamazoo, Michigan: W.E. Upjohn Institute for Employment Research, 1981), x.

incorporates so many ideas found in this literature review implies that its history is also of some interest to these various audiences.

The literature search contributes to this analysis as it has raised some very important policy questions to be addressed in government circles which have a direct impact on the structure of this Lynn Lake study. It puts this research directly in the middle of the debate of the future of the mining industry in Canada. Can we expect this to happen again and, if so, are the companies, unions, and individual workers beginning to understand the transformations taking place? Do they see companies facing critical investment decisions? Do they understand the training and re-training likely to take place? Are government officials comfortable with this specific initiative? Have others learned from Lynn Lake?

There are several questions raised about the capacity of local leadership to transform their community structure. What were the improvements in Lynn Lake as a result of public and private expenditures? Will new community groups survive? The literature speaks extensively about local and regional economic and community planning, involving as many diverse groups as possible. What does the Lynn Lake experience contribute to our understanding of these situations given that many of these objectives were incorporated into the mandate of this project?

The literature, then, is very helpful in getting the proper bearings in this case study. It provided a theoretical framework, a subset of areas of interests for government officials, community leaders and scholars for the past two decades, and it helped in the design, the methodology and the focus for the study report itself.

5.0 EVALUATION OF THE LYNN LAKE AND NORTHERN MANITOBA PROJECT

5.1 Introduction

In this chapter, each of the seven major evaluation questions are reviewed and analyzed according to the methodology outlined in section 2.0. The most important aspect of this project was the expenditure of federal monies to facilitate the training of an experienced workforce to operate a new mine and mill. For Sherritt Gordon the federal contribution made it possible to bridge the months between the closure of a depleted mine and the start-up of the MacLellan Mine. This type of activity is exceptional in the history of Canadian mining and probably represents the first time that governments and the private sector have tried to work out such an arrangement. In this respect the evaluation framework begins without an accepted benchmark of success. We are essentially dealing with the accurate reconstruction of a decision situation, the recreation of training experience and the verification of these opinions and attitudes in the records presented by both the government and the company to the evaluator.

5.2 Stabilization of the Workforce

The first question is: Did the project prevent the immediate layoff of the 270 Fox Mine underground and surface employees who were to be redundant on the closing of this operation?

The answer is yes. The original workforce to be impacted by this project consisted of 283, of whom four were security guards at the Fox Mine and were not included. Of the remaining 279, some 45 were to be transferred to the Ruttan operation at Leaf Rapids leaving 234 to be part of the CEIC sponsored project. No employees were laid off until the project was well underway.

According to the final report submitted by the company 1 December 1986, the workforce distribution was as follows:

TABLE 1

Workforce Distribution

Designation	Projected	Actual
MacLellan	169	169
Ruttan	48	44
Leave of Absence	1	2
Layoffs	38	13
Voluntary Terminations	12	34
Retirements	15	17
Fired	0	3
Deceased	-	1
TOTAL	283	283

The second question is: Was there a significant reduction in the number of future layoffs which resulted from the closure of Fox Mine?

This question was addressed in two different ways. Firstly, it was found that once the company had established the size of the new workforce, and had made final decisions resulting in 13 actual layoffs, no further changes occurred as of July 1987. As a result, the workforce had stabilized and no further layoffs were anticipated by Sherritt Gordon. However, it was also found that the mining industry was in the midst of difficult times because of low prices in the 1980s. Analysts are not overly optimistic about short term changes. Sherritt Gordon, which had announced its intentions in the spring of 1987 to pull out of the mining industry, sold its Ruttan operation in June and then its MacLellan gold properties a few weeks later. The new corporate ownership leaves the question of workforce stability up in the air again and subject to new corporate parameters. When asked in anticipation of these changes if they thought it would seriously affect the size and character of the labour force, all said no. The only ones anticipating a difficult transition were those in mid-management on location

in Manitoba. It is hard to speculate the extent to which this corporate ownership change will affect the commitment of corporate people to the regional economic development organizations started during this project. All concerned, except one government official, said the change of ownership would have made no difference in striking the original contract. The focus of the project was retraining and stabilization of the workforce and opening up of new opportunities in the region. No matter who owned the mine, these issues remained the most important ones.

The third question is: Were employment opportunities maximized at the Ruttan Mine for Fox employees? Records indicate that 44 employees moved to the Ruttan Mine of the 48 originally scheduled. Interviews confirmed that most employees moved their families to Leaf Rapids as soon as it was convenient, indicating that they were not optimistic about any opportunities for returning to Lynn Lake.

While the life of the Ruttan Mine was anticipated to be longer than that of the MacLellan Mine, the reality is that this operation is as suspect as all mines in the 1980s. During the course of this study, Sherritt Gordon announced that its mining operations were for sale; immediately after that in late May, they gave notice pursuant to the provincial labour laws to the employees at the Ruttan operations that the mine would be closing in September 1987. In June, however, the mine was sold to the Hudson Bay Mining and Smelting Company. In other words, the miners who had been dealing with the uncertainty of the operations in Lynn Lake were now forced to deal with similar problems at their place of employment, compounded by the fact that the ownership was changing and open to daily speculation at the workplace.

5.3 Employee Training Results and Issues

The fourth question is: Was there in place at the end of the project a retrained but downsized workforce for the MacLellan Mine? The answer is that a newly trained but smaller workforce was in place at the end of the contract and, for the most part, was still there as of 1 July 1987. The training of the hourly employees and the supervisors are the greatest expenditures in this project. This

detailed examination of the training given by the company included a review of the quality of training, completion rates and timetables.

5.4 The Training Process

Three training processes were undertaken by Sherritt Gordon during this period: at the mine, in the mill and in the assay office. In each case, the company had to design its own training units keeping in mind the closure of the old mine and the implications that it had for the availability of employees as well as the construction schedule which involved contractors and the arrival of materials and equipment from outside of Lynn Lake.

The documentation provided to Employment and Immigration in the progress reports outlined each position for which training was to be provided, the number of employees to be trained from staff and hourly groups, the scope of the training, the projected schedule and the source of material. Normally the training was based on classroom and on the job activity but staff also made site visits to mines and mills in Manitoba and Ontario so that they could see first hand how the new processes were operating for other companies. The company at the outset interviewed all its employees, matched their skills to new jobs and then segregated those to be trained from those being slated for early retirement, layoff or transfer.

The Sherritt Gordon training program was split. The 25 per cent formal training typically was divided as 5 per cent classroom, 5 per cent specific courses and 15 per cent supervised field works. The remaining 75 per cent was hands-on-training to permit the operator to familiarize himself/herself with the equipment and to anticipate future operations. The operator had little or no supervision with help being provided on an as-needed basis by management. The operator's skill was measured by observing the performance of the "work place" or "unit" being controlled. SherrGold refers to these internal measures as "plant availability/downtime," "housekeeping/accidents" and "goal achievement/ throughputs."

The training manuals were produced internally to provide guidelines to assist employees in being more familiar with the plant. The manuals covered each stage of mine and mill activity, remain readily available and are being updated. The entire Lynn Lake gold recovery process is divided into the following steps: cut-and-fill mining, crushing, grinding, thickening and leaching, carbon-in-pulp, tailings, dewatering, carbon regeneration, electrowinning and dore smelting. All of the mill operations are computer controlled.

Each training volume was written in-house with the assistance of consultants and contains step-by-step instructions of what the operator should be doing under normal conditions as well as when there are signs of malfunctions and emergencies. The twenty-page manuals contain diagrams, manufacturer's instructions and specifications, in addition to mill regulations and procedures. All are clearly written but are highly technical in nature given this particular milling process. The manuals are in addition to the Sherritt Gordon's normal training process and represent a formalization of what has traditionally taken place at the work sites of the company.

The on-the-job training strategy dealt directly with one of the major concerns in this field; that is, the placement of newly-trained workers directly into jobs that made use of recently acquired skills. Given that it is usually the older worker who is reluctant to undertake training and that this demographic characteristic dominated the Lynn Lake workforce, moving these men into a training mode has to be considered a major accomplishment in the mining industry. In a mine, for example, most men work in isolated circumstances, share tasks with small groups and do not come into much contact with employees in other sections of the mine or mill. Nor do they have much contact with those working on the same tasks but on different shifts.

At the Fox Mine where the miners had worked previously the mining method was a longhold sub-level stoping with delayed hydraulic backfilling. In this system each miner was expected to be a specialist in the areas of development, production development, production drilling, blasting, loading, dumping and tracking activity and backfill timbering. At the MacLellan Mine the method is mechanized cut and fill with ramp access. The miner is involved with stope

sitting, breasting, muching, mechanical scaling and rockbrotting - all activities requiring much different skills than at the Fox Mine.

5.5 Attitudes Towards Training

Those interviewed found the training process to be successful and one in which they learned a considerable amount about new mining and milling processes. Training in the mine was less successful than in the mill primarily because the changing work environment was more demanding in the latter. The mill involved contractors and engineers working to re-design an old mill building to house an entirely new operation. Workers helped install equipment they had never seen before and then had to learn how to operate the machinery. Supervisory staff had to learn how to plan a week's activity that included construction, training and preparation for a different mill, all at the same time. In the interviews it was reported that the mining operation was more difficult for training for two major reasons. Firstly, the range of equipment was less and was therefore more familiar to those who had worked previously in a mine as compared to the mill. While more men were to learn how to use mine equipment (because it was to be used more widely in this operation), it was not as though employees had never heard of, for example, a scooptram or a jumbo. Secondly, the work stations in a drift were such that it was hard to anticipate exactly what would happen during a day's work. In contrast, a mill was set up like a factory with emphasis on routinization. A mine was different. The actual mining process involved many judgments made at the work site as problems were encountered; therefore, on-the-job experience was far more important than classrooms or manuals.

Training activity was considered to be adequate at the mill. Senior staff were forced to learn how to plan together new activities and how to organize a workforce in a substantially different environment. Since the previous operations had existed for many years, many of the tasks were highly routinized. Starting up a new mine and mill at the same time as learning themselves put stress on mid-management. The difficulties of being in lower management positions, such as shift boss, are well known in industrial studies. In the Lynn Lake case, management found this work to be challenging; however, it should also be noted

that in this period and in the months immediately following the project low-and-mid-management personnel left for other mining operations outside the company. While the number five is not large, it represented almost a complete turnover in the mine where no trainers were left. Other researchers looking at plant closures also remarked that management staff was more mobile and quicker to move onto other employment opportunities once shutdowns were discussed within the corporation. Given the instability in Lynn Lake from 1983 to 1986, and the fact that the new mine was projected to have a life of only five years, it is not surprising that those with the greatest mobility in the industry, but the least within a relatively small mining company, moved away at a more rapid rate than hourly employees.

This may account for some of the reservations heard about training in the mine as compared to the mill and the assay office. The more negative attitudes were heard in unstructured situations and can be best summarized in the expression "one hole is the same as another." Considerable time was spent with consultants and company officials testing for these negative attitudes. The community survey found that the few miners who responded were unhappy with their training program, confirming comments made in some interviews.

Those who were working for Sherritt Gordon were asked a series of questions about their experiences when being trained by the company. They were asked if they thought it was a good idea for the federal government to have put money into training. Sixty per cent of respondents thought it was a good idea while only 24 per cent thought it was a waste of money.

The Lynn Lake community is divided on the role of the company. They agree or strongly agree that Sherritt Gordon "cares a great deal about their employees" only slightly more (49% to 46%) than they disagree or strongly disagree. More disagree or disagree strongly that "most miners are very happy with the retraining program" (43% - 36%). However, they are positive (56%) that "the MacLellan Mine will be better for everyone."

Among the workers themselves, when asked about their pay, bonus system, immediate supervisor, management, and opportunities for advancement, their

answers on a ten point satisfaction scale tended to be evenly distributed. There were, however, at least a few respondents who consistently recorded high levels of dissatisfaction about working conditions including the training program but a great deal of caution must be urged as the number of respondents in some of these categories was very few.

5.6 Training Schedules

The company noted in its reports that training ran behind schedule for several reasons. At the end of the first five months (March 31, 1986) training for all 3 components (mine, mill, assay office) was 38 per cent below planned levels. The company reported that the greatest portion of this shortfall was associated with new and specialized training needs across a wide range of occupations. Officials said the two major contributing factors were construction, which was behind schedule, and the delay in the delivery of equipment. By the end of the next reporting period (June, 1986), the combined training activity was 69 per cent below projected plans - the delays were attributed to the same factors. The company's progress reports detailed the delays, occupation by occupation, in support of the contention that delays had their most profound effects on the very areas about which they were ultimately most concerned. For example, they could not begin intensive training in the assay office or with drift miners until construction was more complete. Many of the employees could not be moved to their worksites until contractors completed their work. This was an especially important factor in holding up the training schedule in the mine. The greatest change was going to be in how the gold was mined. Since the slow construction schedule meant that the drifts were late in being developed, drift miners had to be trained in the last weeks of the project.

Training was eventually included for the assay office as the original plan did not incorporate that activity. However, it was discovered that the training of an assayist was specific to the different milling and smelting processes they had been exposed to through formal education or on-the-job- training. The milling of gold and silver in the proposed plant was entirely different than their work experience so that the entire group had to go through the training exercise. Here, site

visits and manuals were used to a greater extent than elsewhere in the project. In June 1987, all staff trained in the project were still with the department. The fact that the contractual and working relationships were flexible enough to allow this change was important to the overall success of the project.

Overall, a total of 61,499 hours of training were undertaken over the course of the project. This total represents 83.6% of the original estimate (73,562) or 91.2% of the revised estimate (67,399). There were 20,033.5 hours of training in the mine (81.5% of the revised estimate) and 38,482 hours of training at the mill site (98.8% of the revised estimate). In addition, the small, third component for the assay office took 2,972.5 hours (77% of the revised estimate). Through these retraining activities the project attained the stated objective of "having in place at the end of the project a re-trained but downsized workforce."

Thirty-four employees who began the MacLellan Mine training program left before their completing it. According to the consultant, 23 of these were identified for retention for the MacLellan Mine site and 22 were in fact working there. These 22 mine employees represented 21.6% of the total mine workforce. Because the company suffered these unanticipated losses, it was seriously hampered in its efforts to attain the original training targets, according to the company's own final report. This factor assumes greater importance in light of the fact that the shortfall in mine site training represented over 77 per cent of the total shortfall. The company reported that most of these men moved out of Lynn Lake for other mining employment (probably in the Hemlo fields in Ontario).

5.7 General Observations on Training Component

The fact that many moved when training was available supports the observation in the literature that training seems less attractive to an individual when there is a job already available for him that, in his opinion, will probably be as satisfactory as the job he might obtain after training (notwithstanding the short term costs of relocation). In making such a choice, the worker facing the training program in Lynn Lake would have to weigh the "salability" of his existing skills and experience for Sherritt Gordon in the resource and manufacturing

industries against the skills that might be gained through the actual training program. He has to bring into account wage levels and security; for example, in this case study, it was learned that gold mining companies in the Hemlo area were offering potential employees about twenty years of work whereas in the Lynn Lake/Leaf Rapids mines, company officials rarely projected beyond the previously noted five years.

The decline of Lynn Lake has made it very difficult to attract new employees with experience in the mining industry. Over the past four years the average seniority among employees has changed very little, ranging between 8 to 9 years. In June 1987, the company was short 8-10 men and was considering more elaborate training programs to improve the skills of workers at the mill and mine so that promotions from within the existing workforce might be possible. In one case, a mechanical superintendent could not readily be found and for the first time the company had to bring in a retired person on a short term contract. As the labour pool has diminished it becomes more and more difficult for the company to replace workers without the additional costs of recruitment and moving expenses from across the country. If this should continue, then appropriate company training programs will be even more important.

One issue not addressed by the inhouse training program is the transferability of skills and the accreditation for successful completion of training. These objectives have been put aside in favour of the overriding objective of creating a newly-trained workforce out of the one already existing in Lynn Lake and in lessening costs to individuals, the company and all three levels of government if the workforce had been laid off for several months.

The retraining program provided Sherritt Gordon workers with the opportunity to learn additional skills that could be used to secure jobs with the same firm in the same area. Whether or not these skills are transferable is a mute point and one which cannot be answered in this study. Those who were trained kept their employment with Sherritt Gordon and have the expectation that a job will continue to be available for the next several months. The participation rate of the workforce was quite high and exceeds those which require workers to move,

or to attend formal schools or to significantly change their traditional behaviour patterns.

Employee work records have not been altered because of this training program. In the past year, the company had been working on job descriptions and in consultation with the union is settling on these new designations. Once adjusted, employee records are changed to indicate the new position and, thus by inference, that they had gone through a training program. However, the actual training would only be known by another employer if an enquiry were made to the SherrGold personnel office. Since most companies follow-up employment records with telephone calls, it was thought that this was sufficient.

5.8 Employment Mobility Results and Issues

The fifth question is: How adequate was the provision of employment services provided to employees and other affected individuals in the community with respect to alternative employment opportunities?

There were two initiatives which were designed to assist in problems related to labour force adjustment problems, apart from those workers scheduled for company-based training programs. As part of the Sherritt Gordon Labour Force Adjustment component, a Counselling Centre was established while at the same time several activities were begun under the umbrella of the Northwestern Manitoba Economic Adjustment component. Each of these is reviewed separately.

5.8.1 Employment Co-ordination and Counselling Centre

The Employment Co-ordination and Counselling Centre turned out to be the most difficult issue in the employment adjustment component of this study. As will be shown, the Employment Co-ordination and Counselling Centre did not succeed in handling its mandate. A description of the problem encountered in

this remote resource community illustrates the problems currently being encountered by workers.

Of the two major concerns in the evaluation (the first being the impact of the training program for the employment of workers at the new mine) the second, displaced workers, dealt more with the invisible side of the problem: the job search methods and reemployment experience of those workers who either chose not to participate in the training programs or for whom no opportunity was offered.

An obvious characteristic of the Lynn Lake workforce was that it was isolated from other sources of employment. In this case, in northwestern Manitoba, the nearest mining operation was the Ruttan Mine at Leaf Rapids. Owned at the time by the same mining company, it had been facing similar economic insecurity, as noted previously. The workforce had been trained for the mining industry and although the skills of a miner are absolutely transferable to similar mining and milling operations elsewhere in Canada, they are not of much use outside the industry. Since few secondary industries exist in Lynn Lake, either dependent or independent of the mining industry, few miners could move out of that sector into another occupation in the same community. Service industry opportunities, for example, were scarce despite the feeling that this sector could expand rapidly because of the region's natural resources. The pay schedule of secondary and service industries was much lower than that of the mining sector, a major influence in the miners decisions about staying in the community.

Seniority and age factors also have to be noted in this male dominated industry. Since the mining industry has either stabilized or down-sized the labour force at most sites, it is of little surprise that mobility is not available as a viable option for many employees.

As the training program did not apply to everyone, the announcement of the mine's closing meant a return to the job market for some employees. Between the announcement and the eventual closing, workers begin to think about and plan their job search strategy. Employees had to deal with beginning a job search, where to look, and how to look.

The decision to begin an early job search appears to be associated with the worker's occupation and the availability of severance benefits. The latter was particularly important in the Lynn Lake experience where some employees decided to wait out the layoff process to see if they could pick up severance pay under their labour contract. The hope of receiving some extra cash before leaving may have been counter productive to their mobility, according to interviewees familiar with the counselling centre.

Since most of the employees were seeking work in the mining industry, they were subject to the unfavourable conditions of the national labour market of the mid-eighties. Consequently, few employees left the company until the last possible moment before the shutdown of the old mine simply because they saw few other employment opportunities and had received few offers. Since entry into the mining industry usually comes at a young age, there is not a tradition of a formal application process as understood by urban white collar workers. The latter have had to gain experience in going from "door to door," phoning for employment opportunities, and being interviewed several times in the formative years of being in the job market. Lacking this experience and dealing with employment opportunities which at the best of times are scattered across Canada in dozens of similar worksites, the employees' ability to respond to a hostile employment environment from Lynn Lake in remote northern Manitoba were less than ideal.

Other studies have found that a high percentage of workers listed severance pay as their reason for remaining to the end, leading researchers to believe that severance pay may have a negative effect on blue-collar job search. By reducing the sense of urgency and creating in its place a false sense of security, the additional income provided (or at least hoped for) may have encouraged workers to act against their best interests. From a distance, it appears that workers designated for layoff would be the first to leave, and, therefore, have the best job prospects. However, because the final composition of the workforce was not really known until the end of the transition period (possibly due to deaths, retirement, change in circumstances), many hung on to see what might happen. This reflects the character of the workforce, the role of the company and the nature of the industry.

Several times it was mentioned that somehow the company would, in the end, produce the necessary jobs, find the markets, get the commodity prices it wanted - in other words pull off the "coup" necessary to keep the mine operational for a few more years. The dependency of the workforce on the fortunes of the company is both characteristic of single industry communities in general and the mining industry in particular.

Townspeople think the company will continue because for generations it managed to survive tough market conditions. Because threats of layoffs and closures have never been far removed from the agendas of management/union/government negotiations, the rhetoric of the industry has led its participants to discount the notice of closure as being simply another tactic in whatever negotiations were taking place at the time. Mining employees have had, in the last decade, to absorb the fact that closures are a reality in their industry and that economic conditions are such that many operations are likely to be phased out. Since many of these employees have been working for the company for more than five years, the idea of moving is unsettling. In addition, if they have invested in a house or in a cottage industry, they are facing the reality that these investments may now be worthless or of insufficient value to help them set up elsewhere. Since age is often mentioned in labour market research as a barrier to geographical and job mobility, the fact that the Lynn Lake employees were older implies greater problems in job search strategies.

In the project's internal evaluation, age was not mentioned directly but it is implicit in the description of the workforce's hesitation to use the service. This reluctance was consistent within a group unfamiliar and uncomfortable with these services.

The Employment Co-ordination and Counselling Centre was developed within the original contract with Sherritt Gordon Mines Limited. In operation for about 30 weeks, from mid-February to August, 1986, the Centre was staffed by one full-time co-ordinator/counsellor, on secondment from the mining company. After this project ended she went on to work for the newly-formed Northwest Manitoba Development Corporation.

The Centre was intended as a mechanism to assist miners search for new employment and, in particular, employment in alternative fields. Obviously, the major target group was employees of Sherritt Gordon, but workers in the region also being affected by downsizing or changes in their immediate work environment could also make use of the centre. However, the impact on secondary industries was minimal and very few people outside of the Sherritt Gordon workforce made any use of the Centre.

The Centre had seven objectives:

i) to organize and set up a fully functional, easily accessible employment co-ordination and information centre.

ii) to inform residents in the area and the Sherritt Gordon workforce specifically of the services available through the centre.

iii) to follow-up objective (ii) with direct contact with affected workers within the mining company and in related industries and service business.

iv) to design, develop and administer a questionnaire for target clientele in order to prepare a skills inventory and from this newly-created data base identify counselling, training and employment needs and interests.

v) to provide a wide range of pertinent employment services complimentary to those being provided concurrently by the local CEC.

vi) to provide, or arrange for the provision of financial counselling according to identified client needs.

vii) to provide appropriate counselling services to identified clientele on family and/or social problems.

The internal consultant's report prepared and submitted in the final progress report, as part of Sherritt Gordon's contractual obligations, found that most of these objectives had largely been met. For example, the office was set up; publicity was arranged; a questionnaire was distributed, collected and analyzed; and services organized. However, despite meeting these objectives and despite undertaking all of the activities originally outlined in the workplace, the centre did not work effectively.

There was a difference in how managers and workers approach the job market, according to the literature and confirmed in this project. White-collar, salaried workers are usually better informed about the labour market and often able to look for a job on "company time," with all the support systems that this implies. They are able to concentrate their search activities in a period shortly before or

shortly after the announcement of the impending closure. In contrast, the hourly men, are less able to search while still employed, are often motivated by a desire to secure severance pay, and are less likely to look seriously for another job before the transition period was over and the new labour force securely in place. Thus, although a placement service was formally instituted, and traditional Canada Employment Services made available, participation remained minimal for the most part.

As noted, the employment service centre was set up from February 14, to August 29th, 1986. When fully functional, the Employment Co-ordination and Counselling Centre has a full-time co-ordinator located in the same office as the Northwest Manitoba Development Corporation. The co-ordinator, chosen from the Sherritt Gordon labour force, was given limited training and had an ambitious workplan. Included in the job description was: information sharing and publicity for the Centre's services, utilizing press releases, publicizing in local newspapers and community television, distributing information pamphlets and meeting with community leaders. She was to identify the target clientele and inform them of the services offered by the Centre, conduct a survey of local employers to follow up an earlier study on the impact of downsizing on the community in order to identify potential clients outside the Sherritt workforce; develop, administer and analyze a "Skills Inventory and Training Questionnaire" to determine the counselling, training and employment needs of the clientele; and, finally, she was to provide a wide range of employment counselling and services to meet these identified needs.

The target group consisted 45 Sherritt employees affected by the Fox Mine closure. The original distribution was: 8 employees opted to retire; 14 voluntarily terminated employment, 16 were laid off while the remaining 7 were salaried staff about whom less was known. Of these 45, only 19 participated in the needs assessment survey mentioned above. The other 26 declined this assistance because they had relocated, had found other employment, were not interested or were not contacted.

The Centre kept track of its activities in the various components. They recorded that 104 clients visited the Centre; 13 employers were visited and 51

telephone calls made with various employers; 40 community contacts/resource people visited, another 31 were approached while 109 telephone contacts were made.

Despite these figures, there were several shortcomings. Little interest was shown in the financial and personal counselling services. Not all the employment search services were used. It turned out that the most valuable service might have been the provision of a facility where those looking for work could drop in and informally exchange information about current job possibilities.

Delays experienced in the development of MacLellan Mine resulted in some changes to the last of the affected Sherritt Gordon workers. Consistent with other research findings the consultant commented that "some workers identified for lay-off remained optimistic that this eventually would not occur and did not wish to avail themselves of the Centre's services." As a result, fewer clients used the Centre than originally planned.

During this evaluation, many of the comments recorded in the consultant's report were repeated in personal interviews. The Centre was very new to the community and was, therefore, an intrusion into a work setting where most men had either not looked for work for years or it they had, it was on their own initiative. They were not about to walk into a new office which purportedly dealt with economic development and several other community issues in addition to handling employment needs, in such a short period of time. Also given the continuing references to the inherent optimism among employees that the company would in the end work out something, to go into the Centre in front of friends, co-workers, acquaintances and everyone else was an admission of giving up hope and having taken the first step in the psychological break with the community. While the need to take such a step was clearly seen by those watching from a distance, it was far more difficult for the individual worker in a small, isolated town.

Since this was the first time that Sherritt Gordon had to deal with these types of support services during a layoff and, in fact, this was the first transitional service attempted, some information did not flow to the Centre as frequently and

as accurately as the co-ordinator had originally hoped. Without knowing for weeks at a time who was likely to be laid off, the co-ordinator was severely handicapped in taking the initiative. As a result, there were long periods of inactivity.

Job search assistance schemes assume that information is readily available. In the case of an isolated community, this means that job information has to be brought in from other centres, many of them equally isolated. Even if they are located in metropolitan centres, these are at least a day's trip away, or a long distance call, or lengthy correspondence. Given the competitive nature of job hunting among skilled and semi-skilled workers in the resource and manufacturing industries, competing from a remote location had definite disadvantages. For example, the Winnipeg newspapers arrive at least one day late and out of province papers were sent to the Centre on a weekly basis. It is impossible under these conditions for an employee looking for work, while trying to stay on for as long as possible with his current employer, to compete for advertised positions.

The consultant made six recommendations for improving the employment services provided by the Centre including broad policy questions. One was that information systems should be designed to ensure that out-of-town jobs are known more quickly and the second was that local staff should be trained to deal with some very difficult problems. While there is no doubt that the physical configuration of the office affected the quality of the counselling service, the important issues are those of establishing good interpersonal relationships with a potential clientele which does not have a history of using institutional support systems.

The company-based transfer was designed to assure some workers, who were out of a job at the Lynn Lake site, that they would have a position in Ruttan if they decided to remain and relocate with the company. There were no other relocation positions except at MacLellan and Ruttan. While this assurance greatly reduced the uncertainties of the job search, it did not eliminate them, for the displaced worker still had to evaluate his chances of finding a job on his own against Sherritt Gordon's offer. For a miner in an isolated community the decision process, as we have seen, is often a difficult one. While he most likely

found it reassuring that an opportunity was available within the company where seniority had been accumulated, there was still the uncertainty of the industry, relocation of the family and a new work environment.

As a depressed housing market is characteristic of small towns where the major employer is downsizing its workforce or is closing down entirely, transfer strategies are more attractive to individual workers; whereas to the community leadership the major objective is to protect and enhance the collective and individual investment made in Lynn Lake. This was especially the case here as the mining company's workforce seniority level implied that many had spent several years in that northern Manitoba community. They had made extensive personal and financial commitments to that community. The costs of attempting to induce workers with strong attachment to their community or to their family made the transfer option of limited value to the company and of limited appeal to the more settled members of the workforce. In addition, the company was limited by the few openings actually available in its other mining operation as it functions in an industry marked by an ever-decreasing workforce in every location and in every corporation.

5.9 Labour Mobility: General Observations

Under normal circumstances those who move the quickest end up making more money than those who wait, if we are to follow the assumptions of other researchers. However, this situation was somewhat different. Even though the company was not a secure employer, and the more knowledgeable workers understood the instability of staying with Sherritt Gordon, the mining industry as a whole, seemed unlikely to produce many opportunities of a more lasting nature. While examples such as the Hemlo gold properties could be used to illustrate other employment opportunities, they were well-known simply because they were the exception to the rule. Few companies were hiring experienced mining industry workers. The northern regions of Canada are very much at risk. This can be described and analyzed in the limited sense of northern Manitoba, or it can be extended to include what was popularly known a few years ago as the mid-north corridor. As a result, bleak employment opportunities throughout these

single industry towns has become a widely shared concern in the past decade. Indeed, instead of thinking about these places in terms of opportunities, and the positive words one can use in promoting them, it is much more common to hear of doomsday scenarios unless something is done by governments, communities and industries. Certainly this concern was raised in just about every interview and was a widely shared opinion among community leaders, politicians, and consultants. Workers, therefore, who would have been seen as one of the first to move under other circumstances, did not think that there were many opportunities elsewhere in these regions. As most workers had arrived in Lynn Lake from other parts of the country, not many wanted to return "home" as they faced the same problems there as they did in Lynn Lake. Since the informal conversations all emphasized this lack of mobility, the project had the implicit and explicit objective of dealing with this insecurity. The fact that no job information systems were implemented to give any confidence that opportunities were available elsewhere hindered progress, and must therefore be considered in the design of future transitional projects.

The opportunity to transfer prompted workers to assess the personal costs and benefits associated with moving to Leaf Rapids. For those who were older, whose jobs were less specialized or lower paying, or who had second wage earners in the family, the personal barriers inhibiting job mobility were difficult to overcome, despite the innovative nature of the effort during this project. For those workers who are characteristically seen as mobile in a single industry resource community, the opportunities are decreasing annually. For them, programs which support training and temporary income maintenance become crucial in their decision processes. Given the experiences of the mining industry during the current circumstances it is fair to conclude that the relocation of workers into the Ruttan operations and the relocation of other workers outside Lynn Lake were less influential and less instructive than the training initiatives and the economic diversification planning. Others have concluded that the policy orientation in the case of shutdowns should be directed to income support in the weeks and months immediately following employment termination and that the greatest effort should be placed in the design of programs and the use of resources to see workers through the crucial initial period. Relocation elsewhere in the same company, same industry, and perhaps even in the same region with

another resource company appear to be stop gap efforts at what is appearing to be an increasingly complicated employment issue. On top of this general problem is the one of the older worker whose need for immediate, sophisticated support systems comes at a time when his general utility to the resource industry (often physically demanding) is decreasing. For these reasons, the training of this employee group is the heart of the story. Its success overshadows other policy issues and in the context of dwindling opportunities, emerges as an important employment planning instrument. It also provides a perspective on why the second component, which had the objective of creating jobs within this region, but outside the company, was considered crucial to the successful completion of this project.

5.10 The Northwest Manitoba Economic Development Adjustment Component

During the time of uncertainty, before the new mine was secured, the province decided to provide assistance to Lynn Lake. It funded a study of the effects of a downsized workforce on the commercial life of the town, as well on the public service sector. The province also provided monies for the town's hiring of Dennis Young as an economic development officer. This money came from the Mining Community Reserve Fund established in 1970 by the Manitoba Government which annually transfers 3% of metallic mineral royalties to the fund for policy problems such as those posed by Lynn Lake's precarious future. Payments were previously made to Lynn Lake to alleviate the shrinkage of the municipal property tax base. As part of the package put together to open up the MacLellan Mine, the province agreed to loan sherritt Gordon $2 million out of this fund and to funnel some additional economic development funds locally as the company repaid the loan.

The work undertaken by Mr. Young led to discussions about the formation of a new economic development corporation based in Lynn Lake but with a regional mandate. These talks became part of the government/corporate planning process which in turn led to the company's commitment to contribute $100,000 to an investment fund. The Northwest Manitoba Development Corporation, therefore, can be said to be a direct result of negotiations over the Innovations Canada project components.

Naturally enough discussions about the decline of the mining sector in and around Lynn Lake have led to ideas about employment diversification. New organizations such as the Northwest Manitoba Development Corporation (NWMDC) were started up with this in mind. The major foci of the development strategies have been tourism, distribution and public administration. As these ideas have taken shape, and as the community has gained some experience in dealing with institutions other than the company, it has begun to make demands on others for support of new ventures.

For this to happen, mediating institutions were needed to facilitate any transformation. For example, the Lynn Lake Friendship Centre had operated as one such intervention group for several years. In this environment the NWMDC was viewed as playing an important role. By involving leaders from neighbouring Native communities and by undertaking activities designed to stimulate private and public investment and planning, the organization emerged as a focus point for building a broadly-based working group where none had previously existed in the region.

Based in Lynn Lake, the Northwest Manitoba Development Corporation (NWMDC) was established to encourage the growth of the regional economy by stimulating new jobs and small business ventures. Generally, its targets are the establishment of new businesses or the expansion of older ones, with specific attention being paid to those with under ten employees. The NWMDC sorts through business ideas with the intent of identifying which ones are likely to be successful. The greatest difficulty that the board and manager of NWMDC face is bringing together the business concept, market development, financing and training when many of these activities are geographically removed from each. For example, markets for new products are hundreds of kilometers away while local banking is almost non-existent. Putting together a successful package is very time-consuming.

The NWMDC serves the nine communities of Lynn Lake, Leaf Rapids, Brochet, Granville Lake, Kinoose, Lac Brochet, Pukatawagan and Tadoule Lake. The communities are generally hard to reach as only three are serviced by road, a fourth by limited train service and the rest by plane. Telephone service is

erratic, causing great difficulty in establishing good relationships. This is the first time these communities have come together to deal with similar problems in economic development.

The specific services offered by the NWMDC are research and analysis of business opportunities, advisory and technical services for local businesses, funding and financial arrangements and entrepreneurial skill development. In addition to federal funding, the development group has received limited support from local airlines and a hotel chain. Sherritt Gordon contributed $100,000 in 1986 for the Seed Capital Fund as noted in its Innovations Canada agreement. Because of funding difficulties for the NWMDC, $25,000 was forwarded in 1986 for current expenditures and $75,000 received later for the original Seed Capital Fund. Some regret was expressed in the interviews about this, but given the immediate needs of the new corporation at that time, and the general cash shortage in Sherritt Gordon, the intent of the initial commitment was fulfilled.

Funding was at first arranged through the LEAD Program but changes in national programming caused the application to be re-done and submitted to the Community Futures program. Presently there are two organizations working out of the same office in Lynn Lake, and although they have no formal reporting relationship, there is joint representation on the Community Futures Committee and the Board of Directors of the Corporation. The objective of the former is to plan and co-ordinate economic development and employment adjustment programs for the region. Among the ten listed responsibilities are planning, human resource and training development, feasibility studies, demonstration projects, infrastructure, funding, industrial adjustment, development and promotion, and community development. The Business Development Centre is the investment and development arm of the Community Futures Committee. Its responsibilities include investment and financial assistance, business advisory services and business planning, development and training services.

Company officials were involved in the formative months and one continued to sit on the board of directors subsequently in 1987. Thus, the corporation can be said to be fulfilling the spirit of the original agreement by continuing to have senior management involved during normal company business hours.

During some of the interviews, the view was expressed that the NWMDC had yet to make its presence felt widely in Lynn Lake. This is a difficult issue to research and in most respects is beyond the mandate of this evaluation study. As far as the immediate impact can be assessed, it is fair to say that the NWMDC exists directly as a result of the project under review. On a broader note, it raises questions about its influence on community values. Here a distinction should be made between community activists and those who are simply residents of Lynn Lake. In the case of the former, the NWMDC is a focus of their activity serving as a vehicle for discussion and planning. Although the arrangement is brittle and very dependent on outside funding, everyone interviewed thought it was a positive first step in generally improving the community's self-image. This idea was pursued in the mail questionnaire through a series of questions on family, personal and community happiness. No direct comments were made in any way about the work of NWMDC; however, the evidence suggests that the slow and steady decline in community life as defined by objective criteria such as population size, tax base and employment opportunities has had an effect on local attitudes.

Residents were asked in the survey if they perceived the community changing for the better, staying the same, or getting worse, along seven different dimensions. We also asked them to agree or disagree with six statements about life in Lynn Lake. Finally, we asked questions about their own personal lives, following the assumption often made in the literature that major disruptions in small isolated communities can lead to personal problems. Each of these items were cross tabulated with the length of stay of the resident in Lynn Lake.

Over half of the respondents had lived in Lynn Lake for more than 10 years. Of those the vast majority (96 per cent) said they agreed strongly or agreed with the statement "generally speaking Lynn Lake is a good town to live in." Overall, 85 per cent agreed or strongly agreed. Fewer said that they were "very involved in community activity." Less than half (48 per cent) agreed or strongly agreed with this statement although involvement registered more strongly for those who had been residents for a longer period of time. Most people (78 per cent) disagreed or strongly disagreed with the statement that "people in Lynn Lake really don't care about each other." Close to half (45 per cent) agreed or

strongly disagreed that they would move away if they had a chance. This was distributed across all categories except that three who were in Lynn Lake the longest were more uncertain about moving.

When asked about changes, most residents saw in their community that drug and alcohol problems about the same (67 per cent); family problems (65 per cent); and to a lesser extent the standard of living and unemployment problems (55 per cent). Signs that residents are concerned about Lynn Lake can be found in the following answers. When asked, close to half (48 per cent) said that economic conditions were getting worse while only 30 per cent said they were the same and 17 per cent, better. Over twice as many (28 per cent versus 13 per cent) thought their standard of living was getting worse rather than better while more (23 per cent to 17 per cent) thought their own situation was getting worse. In all cases those who lived longest in Lynn Lake were more inclined to think conditions were the same or better. In other words, residents were worried about their future in Lynn Lake, although happy with Lynn Lake:

"If I had a chance, I would move away."

Strongly Agree/Agree	Strongly Disagree/Disagree	Don't Know
46%	32%	22%

"Generally speaking Lynn Lake is a good place to live in."

Yes	No	Don't Know
85%	10%	5%

The final report submitted by Sherritt Gordon indicated that it considered its involvement to be successful and that the NWMDC was a direct benefit of their contract. Unlike the training component which had some definite criteria by which activity could be judged, the community development process evolved at a much slower pace and was harder to understand. For instance, it is possible to say that Sherritt Gordon now has a mine and mill operating with a staff completely trained with the assistance of federal program monies. It is not so easy to make a similar statement about the community development organization.

While one can actually take a picture of the NWMDC's office in Lynn Lake and prove that it existed, it is not easy to capture the dynamics of its internal life. For example, interviews which were conducted before the manager took a field trip exploring funding options produced much different answers than those from others after they had had a long, exhausting board meeting hammering out priorities among these diverse and needy settlements. The NWMDC's actual success will not be known for several months; however, it is accurate to state that a chief benefit of this project has been the establishment of this organization from which planning, advocacy, support, funding, and advisory services are available to those living in the region.

The Lynn Lake case saw the dynamics of the Northwest Manitoba Development Corporation work in favour of including Native community leadership into this program. Representatives from the outlying communities have been selected for the board of directors of both the development corporation and the business development centre. The staff person in the business development centre travels to these Native communities and is in regular contact by telephone. The current chairman of the NWMDC is the economic development director from one of the outlying communities. In other words, one of the major contributions of this particular community-based development strategy is that its organizers positioned themselves in such a way that they think more about their problems as being similar to those of other residents in an area covering wide distances. This has cutdown local animosities and brought the leadership of all communities together to work on shared problems in the improvement of economic development and employment opportunities. It was also a tacit recognition that the role of Lynn Lake had changed in the past decade and that it had become a service centre for Native people moving out of the more isolated settlements because of harsh living conditions and few economic opportunities. The fact that there were few jobs available in Lynn Lake did not deter in-migration. One anomaly which had emerged in the local housing market was the surplus of units caused through out-migration of mining families and overcrowding of units caused by the in-migration of Native families. Because the latter lacks capital and credit, access to housing has emerged as an important but submerged issued.

Although it is quite apparent that an issue such as housing is far afield from the original mandate of the Lynn Lake project, it is a good example of what happens in a small community once new mechanisms for consultation and communication are put in place. Issues are raised that normally would not be dealt with where no such forum existed. As the NWMDC takes on a life of its own with some successes, a history of a board working together will emerge between the Native and non-Native communities. These problems will be easier to analyze and negotiate, according to many interviewers.

5.11 The Consultants

The sixth question is: Have there been significant unintended consequences, positive or negative with each component? In this section several related issues are reviewed in order to explain some of the unintended results of this project. Beginning with a discussion on the documentation, it is suggested that an important benefit from this work was the dissemination of information both back to the funding agency and to interested parties. Included in this is a description and analysis of the role played by the consultants as it is concluded that they were essential to the success of this deal.

The major players who put together this project were consultants. They helped the company understand what their needs were going to be as they closed down the old mine and mill operation and organized the new mine operation. It was through the consultants that the company set out its objectives which ranged from the training of employees, to counselling those not staying on with the company, to the development of a new set of community organizations. The best example of their role is the ease with which information was exchanged between the two parties.

The progress reports very carefully reviewed the activities of Sherritt Gordon Mines Ltd. as to its performance *vis-a-vis* commitment outlined in its contracts with the federal government. Each of the three areas of concern (Sherritt Gordon Labour Force Adjustment, Northwestern Manitoba Economic Adjustment, and Information Systems and Documentation) were reviewed in each report. The

material was gathered at Lynn Lake by company staff and then given to the consultant who prepared and submitted the documents on behalf of the company. The documentation was very thorough and thought to be more than adequate, according to all interviewers. The consultant, in teaching the Lynn Lake staff how to document the training activity, performed an important function in this project. Given that everyone was originally nervous about the amount of record keeping that this project might involve, they mentioned that from their experience they had learned that the data needed for a government sponsored contract could be made available within the context of regular data collection.

In this case the field level supervisor, usually the shift boss, noted on time cards, which had already being submitted for each hourly employee, the percentage of time spent on training. The first step was done manually but after that the data was stored in a computer-based system. These records were organized to show monthly totals and were then passed on to the consultant who built a narrative description around this information before submitting reports to Employment and Immigration. All tasks were outlined in detail and explanations were given about activities which were incomplete or behind in schedule. Everyone agreed that this system was the best they had used and that they would not hesitate on a joint venture again.

The company changed its strategy as a result of advice offered by a consultant who argued internally that the company had to plan its activity from a broader vantage point than that of the minerals it was producing. Taking this argument one step further, the case was made that the company needed to protect its employee base and its government relations through a more innovative approach to the resource community of Lynn Lake. Mining companies have long lived with the cyclical nature of the price of their commodities with all that it implies for investment, profit, and employment strategies. However, the long trend downward in some base metal prices has forced companies, unions and governments to appreciate just how much more difficult it is under current circumstances to continue some operations. More importantly, if the viability of these operations are constantly being questioned, then the communities and the workforces are also being affected by the economic insecurity. Governments have a great deal invested in these towns and have clear responsibilities if mines and mills are shut

down. The role of the consultant was to take their conceptual understanding into the corporate setting in such a way that activities and objectives could be planned with these other institutional needs being taken into account.

The primary role, then, for the consultant was that of a facilitator, one who knew the "language" of all the players and was able to put the company into a leadership role. Through the activities of the consultant, a plan of action was conceptualized that would help attain the major objective of keeping the community viable while starting a new mine. The plan involved negotiations with both federal and provincial governments but, more importantly, it required new roles for individuals at the community level, many of whom worked for Sherritt Gordon.

The development of new roles was the toughest part of this community-based process. Some employees had to switch roles at work by becoming teachers/students. In the community, employees began to share positions on the board of directors on local development organizations, another employee was transferred by the company to the temporary employment and training office which dramatically changed her relationships with fellow employees.

The second role performed by the consultants was the management of the project. This involved the preparation of work plans, budgets, organizational frameworks, personnel, government relations, documentation and informational systems. It involved changing the work habits of a private sector firm so that employees and managers learned how to report their activities to government in a written format acceptable to the funders.

The community had also to learn how to change its style. Because it was so informal, the town was not used to the formal processes of applying for funds, for documenting activity, for drawing up five year plans and for operating a board of directors with financial obligations to the federal government. In addition, it had to turnaround the traditional dependency on Sherritt Gordon and build up some independence and confidence. These working relationships meant redefining within the town itself many of the traditional ways of making decisions and in forming working alliances. The project also required the townspeople to

establish contact with Leaf Rapids, a competitor for economic development projects, and with the outlying Native communities which had always been very distant from the residents of Lynn Lake.

A second consulting firm was brought in to handle this phase of project management. Judging from the documentation and the interviews, the consultant was pivotal in ensuring reports were prepared and filed and that, in general, government relations were handled effectively. The project probably could not have been completed successfully without the assistance of both consultants. The two firms added to the company the capacity to undertake tasks for which they were unable to do on their own through their own inexperience, lack of training, isolation or negative predispositions about government programs. The fact that the Northwest Manitoba Development Corporation still needs consultants for such tasks as training the board of directors shows how long term the community-based strategy is in reality.

Industry/government interface is now a very specialized field requiring considerable expertise and experience. Most mining companies have very small divisions, if any at all, dealing with government relations, deferring to provincial and national associations which raise policy questions of industry-wide concern. As a consequence, once a specific problem such as a mine closure arises, companies do not often have the capacity to act beyond their legal, regulatory and contractual obligations. New problems require imaginative solutions; this energy, thoughtfulness and knowledge is often beyond the daily capability of resource companies. They are not, by definition, in the business of dealing with closures, training, community development, and governments; they are in the business of mining and milling at a reasonable rate of return for their shareholders. Thus, it is the outside expert coming in for the short term that enables a company such as Sherritt Gordon to expand its capacity for handling these problems with the immediacy required by circumstances. Senior executives and federal government officials all spoke highly of the role of the consultants in putting together this project. Of particular importance to the company was the consultant's recommendation to proceed with the Innovations Program because of its quick response to the corporation and its flexibility in project detail. It was also mentioned that the consultant's familiarity with the CEIC management

facilitated the project by providing the corporation with access to key decision-makers in fields in which none of the senior management at Sherritt Gordon had ever been involved. Yet since these skills are not required with the same intensity over extended periods of time, the company does not want to carry this resource as an internal expertise and as an ongoing cost.

Using consultants who specialized in human resources, training and employment plans helped the company prepare its training program, its manuals, and its reports to Employment and Immigration including the writing of the major progress reports. It was apparent from the interviews that Sherritt Gordon employees found this help was essential for the report process to be as successful as it was. Since all interviews confirmed that company employees found the reporting process to be simple and straightforward, without adding considerably to their workloads, it is fair to conclude that the consultants played a valuable role.

The consultants also played a significant role in developing a complete communication strategy. Using their understanding of the media at the local, regional and national levels, they managed to project a positive image for this project to the extent that it quickly became known nationally. Very few employment projects, even of this size, receive coverage outside the immediate interested publics but in this case, it was made known to the relevant industry associations, government departments and community groups, thus fulfilling Sherritt Gordon's original commitment to widely disseminate information about this project.

In his pivotal 1979 study on American consultants in public policy, James D. Marver made an important distinction between the inside and outside expertise that every agency requires. Outsiders, he argued, serve public and private organizations on a short-term basis. The expert's distance from the organization actually helps him perform his role in substantive areas such as project and program development, evaluations, data gathering and analysis and for political areas by increasing, for example, an organization's capacity to deal with governments and communities. Marver in his *Consultants Can Help* put the case that outside experts were particularly useful at the very early and very late stages in decision processes. This useful distinction helps to understand the role

of consultants in the Lynn Lake project. Right from the start, Sherritt Gordon used a consulting firm, Canadian Public Affairs Group, whose president had both a substantive knowledge of the mining industry and, as well, a solid appreciation for what the federal government wanted to achieve in its programs for the eighties.

Questions were addressed about the extent to which Sherritt Gordon internalized this new approach to community development. Interviewers were asked to identify decision-making processes which indicated that resources were likely to be allocated differently in the future.

The consultants were experienced enough in community development work to stimulate the launching of new local organizations which supported the transition of Lynn Lake. Through them, corporate managers took on the responsibility of promoting these groups, supporting them with their own time and effort, and using their business experience to diversify the economy. After the initial interest, some have found it difficult to keep up the newly-created coalitions and to manage a nonprofit corporation. In the meantime the company managers had to maintain their own work environment. At times, there were competing demands between the business and the local community initiatives.

No resources were added to the company's operation to assist staff with any extra responsibilities that had evolved as a result of the Innovations Canada project. It may be that companies will need to examine more closely the expectations they have of their employees under these new circumstances and what resources might be available in support of them.

In reviewing the operations of the company, there are few signs of permanent organizational changes. The company is, however, in very difficult circumstances and is unsure if it will be in the mining industry beyond this year; by June it had arranged to divest itself of its Manitoba mining operations. The contribution made by Sherritt Gordon to the local economic development corporation through secondment, financial contributions and volunteer time of senior personnel changed the way Lynn Lake community leaders thought about their future. As a result, as previously noted, they put greater emphasis on non-company-related activity for the basis of future development. Internally the company's personnel

now has greater experience in setting up community organizations, training employees and dealing with government. With the recent announcement of the possible closure of the Ruttan Mine in nearby Leaf Rapids it may be possible to measure how the company responds to any demands similar to those of Lynn Lake. From a methodological perspective, it is too soon to comment on what has been put in place permanently in the company as a result of the Lynn Lake project. However, the experience of working out problems in Lynn Lake and in planning a company-union-community-government agreement has led to changes in the company culture according to senior officials. Managers expressed pride in the way they worked along with the federal government, townspeople, and the consulting firms, so that the experiences in Lynn Lake are being shared elsewhere across Canada and might lead to proposals in reaction to, or in anticipation of, similar community crisis. Given the historical isolation of these settlements, the sharing of expertise, experience and information is long overdue and will likely benefit all parties.

5.12 Intergovernmental Relations

The province of Manitoba has in the past five years worked along side Sherritt Gordon, the local government district of Lynn Lake, and the federal government to support the efforts to save the townsite and to encourage economic diversification. From its Mining Community Reserve Fund, Manitoba has provided a $2 million loan as part of the joint federal/provincial MacLellan Mine development assistance package. As this is repaid, the province will turn the money over to the community for economic diversification projects. The government of Manitoba has also given a grant to support the municipality in times of declining local taxes, paid for a local economic development officer and a tourism development office, formed an interdepartmental committee to address the problems of mining communities, and paid for a study reviewing the employment, business and governmental implications of downsizing in Lynn Lake.

The seventh and final question is: Have the experience and lessons learned from the project been satisfactorily documented? In addition to the discussion of

the role of the consultants which covers some of these issues, there is other evidence that these results are being communicated to several audiences.

5.13 National Communications

In its original submission, Sherritt Gordon undertook to engage at its own expense in a "national dialogue with leaders in resource dependent communities" and to share whatever had been learned in the Lynn Lake demonstration project. One major focus of this strategy was a speech given by Russ Latham, President, Sherritt Gordon Mines Ltd., to the Canadian Association of Threatened Single Industry Towns at its Annual Conference in Sudbury, Ontario on September 25, 1986, about the time the project was coming to an end.

Latham directly addressed the need for long term planning on the part of the companies, governments and citizens of single industry communities. "Federal participation through the vehicle of Canadian Job Strategy's Innovations Program has meant that Sherritt has not had to contend with innumerable competing jurisdictions, conflicting reporting requirements and other administrative burdens that could have hamstrung the development of the MacLellan Mine. Such simple things as CEIC's willingness to tie financial reporting to the Sherritt payroll system reduced administrative burdens and administrative costs as well."

The lesson that Sherritt Gordon wished to share at the conference was that it was necessary that all the stakeholders participate because long term diversification of the local economy required active community participation married to the best business expertise available. The first step to be taken, according to Latham, was to provide single industry communities such as Lynn Lake with the technical, financial and marketing expertise taken for granted in metropolitan Canada but rarely available in the North. The second step was to place senior management from the Lynn Lake region into positions in the new organizations to ensure that the town had as much support as possible in the initial stages. Thirdly, Sherritt set a corporate example by contributing $100,000 to the capitalization of the new local economic development corporation. Overall, he announced, the company was very satisfied with their involvement and saw this

as a model for other communities and corporations. This speech was then widely distributed throughout the mining industry.

A second output at the national industrial level from this project was the formation of the Association of Single Industry Towns of which Sherritt Gordon was one of their original members. Dennis Young, who first gained his experience in community economic development at Lynn Lake in the crucial years while the Innovations Canada project was being planned, was a founding member and its first national president. He also started a consulting business dealing directly with the problems of communities such as Lynn Lake. In an interview he confirmed Latham's conclusion that the lesson from Lynn Lake is that community commitment was the most important variable if these projects were to be successful. The new association has Mildred A. Wilkes, the newspaper editor from Lynn Lake, a northern Manitoba regional development officer and a senior executive, on its board of directors, as well as Charles Kelly the consultant who helped initiate the Lynn Lake project on behalf of Sherritt Gordon. In other words, there is strong evidence, verified in speeches, interviews and documented activities to conclude that the Lynn Lake project has directly contributed to increased knowledge about the problems of these small, isolated resource communities. The momentum from this project actually led to the establishment of a national interest group active in a policy area of vital importance to the federal government in general and Employment and Immigration in particular.

5.14 Fighting Back

A third indicator that information about the Lynn Lake project is being widely distributed is the production of a 17 minute film entitled "Fighting Back." The film documenting the revitalization program at Lynn Lake was produced under the joint auspices of Sherritt Gordon Mines and CEIC. Produced by a Winnipeg firm, the film is now the commercial property of the Canadian Association of Single Industry Towns. It features interviews with town officials, citizens and miners and is being well received by other single industry townspeople who are undergoing the same internal conflict and pressure as has Lynn Lake for the past five years. The film focuses on the steps that were taken by the mining

company, governments and citizens to diversify and extend the economic life of the town. The film fulfills an important component of this project inasmuch as it has preserved and recorded the feelings of Lynn Lake residents as the project closed down and the mine started up. By interviewing many of the officials who brought together this deal at the community level, the film reinforces the community development component in this project.

5.15 Summary

From this review of related activities, it can be seen that several unintended benefits have emerged from the Lynn Lake project. These range from recognition of the role of experienced consultants dealing in isolated work environments, the wide distribution of information about the federal governments' role and the ease with which data was collected and used to make the project work smoothly. As far as could be determined, there were no observable negative impacts, either direct or indirect. In the final chapter, some lessons gained from this study are reviewed more closely.

6.0 THE FUTURE OF CANADIAN SINGLE INDUSTRY COMMUNITIES - LESSONS FROM THE LYNN LAKE PROJECT

6.1 The Future of Canadian Single Industry Communities

Single industry towns such as Lynn Lake will no doubt continue to be a prominent feature of Canadian settlements. Protracted policy discussions about the shape and form of mobile or nonpermanent resource towns have little significance for the hundreds of communities that already exist across the country. Our continuing reliance on resource industries suggests that several well-funded policy initiatives are likely to be needed. In the most general use of the concept, "community development" strategies with a broadly-oriented regional approach are currently the most useful ones in pursuing these problems.

In his concluding comments, Robert Robson suggests that government will continue to play a pivotal role in the context of co-operative government-industry-union-community initiatives. However, "policy is poorly defined. Neither level of government has established a framework for community development."[16] In most cases, he concludes, community initiatives have been pragmatic but isolated responses to the crisis needs at hand. The problems facing decision-makers are the physical form of the settlement and its economic base. The focus of this research through using Lynn Lake as a vehicle for telling a much wider story, is that of an older settlement whose history and very existence set very real limits on what can be accomplished through a community development strategy. It should be noted here that despite the economic focus of this work, other studies dealing with questions of housing and physical development in Lynn Lake came to the same cautious conclusion.

Most studies have concluded with the thought that single industry towns will continue to be the focus of public policy research and experimentation despite their being several useful models already available for consideration. The reality is that these townsites have been for the past century the backbone of the resource industry's employment strategy and they continue to be supported by government. This is the most expedient method of housing employees close to the worksite. As the longevity of the utility of the non-renewable resource is largely unknown, the future of these communities is marked by boom/bust cycles, tremendous periods of growth and confidence followed by times of depression and insecurity. A hidden cost of resource exploitation in Canada is the presence of a workforce whose only reason for being in the immediate region is the employment created directly and indirectly by the resource companies. It has been a cost of doing business in that industry which is now being feared as a large and unknown burden to the public sector.

The prolonged difficulties in the mining industry in particular have caused policymakers to plan more strategies for handling closures. Wind-down procedures are very much in the experimental stage, which is why events in Lynn Lake are

---

[16] Robert Robson, *Canadian Single Industry Communities: A Literature Review and Annotated Bibliography* (Sackville, NB: Rural and Small Towns Research Studies Programme, Mount Allison University, 1986), 71.

important to understand for their wider connotations. These problems include training and retraining, family relocation, commercial shutdowns, and real estate devaluations. The mining workforce is known for being transient especially among those unable to secure permanent employment in one location or those who seek the rewards of highly competitive bonus schemes offered to the most skilled and productive miners.

As Robson has pointed out, many of the single industry towns originally ignored the reality of Native needs for housing, employment, social services and training. They have up to this time been relegated to the periphery both in terms of the local decision-making dynamics and the geographical/cultural segregation. Projects such as the Northwest Manitoba Development Corporation can show a different approach.

The Canadian Association of Single Industry Towns was perhaps the most important indirect benefit of the Lynn Lake project. The purpose of this newly formed, non-profit national organization will be to mobilize as many towns as possible into acting to improve local economic and social conditions. According to its first president and founder, Dennis Young, the Association intends to promote the role of resource towns so that both governments and the general public come to a greater appreciation of their contribution to "the overall health and social well being." The Association encourages long term planning, economic development and industrial diversification; assistance to communities and governments in developing crisis response mechanisms for those facing cut-backs or closures and help to local citizens and public authorities in resolving the many social dilemmas caused by trying economic circumstances. Most importantly the Association promotes the idea that people living in these communities must rely on "their own initiative, commitment and long term planning to save their home town."

At the local level a new alliance was formed in this region of Manitoba, as Lynn Lake, the traditional anchor in the community was threatened. The old, simple economic model, directly dependent on a single company, with the corporation in turn dominating all political, social and economic relationships was no longer suitable. Instead, new networks were emerging and working for similar

goals and determining the success of all these communities. The federal government's contribution in setting up an organization which brings together all of these factions and provides a focus for setting an agenda was crucial in a policy environment where no one had an existing vehicle for bringing together these diverse interests.

During the project the department had to learn more about dealing directly with the concerns of three immediate groups: the company, the workers, and the community. Secondary to the actual project but perhaps equally important in the long-run to the success of projects such as this were the national associations interested in this industry and the future of single industry communities. Recommendations are made below for each of these groups in turn.

As noted previously, the reason why this project was considered by the company to be so successful is that it was able to accomplish its objectives without undue paperwork and without too much interaction with the department. While it may seem redundant to mention this, the corporate culture of a small mining corporation is by definition the antithesis of a large federal department. People working in small isolated communities pride themselves on getting things done without much help from government while top management has a commitment to market responsiveness quite different in its objectives than those of a department. Within this context, the fact that the project worked so well is outstanding and, therefore, suggestions for any improvements upon this process must be made in the original spirit of flexibility and experimentation.

As pointed out, the company needs to show in more concrete ways how the project has affected the means by which it carries out its business. The mission statement, the human resource plan, job descriptions, internal resource allocations are items that should be available as four indicators of how a corporation might change its methods of operation as a result of a project such as this. This documented evidence would for future projects give the department a benchmark for evaluating the longterm impacts on Canadian corporations.

The role played by the department met everyone's approval and, consequently, the recommendation is that future projects be approached the same way. The

maximization of scope for those most directly involved in the delivery of contracted services is crucial to the effective operation of the project. The use of computerized information systems, particularly in employee and payroll matters, allows for the integration of corporate/government functions in an easy and inexpensive fashion. This meant a lot to both parties and is a system that should be duplicated in other circumstances.

The roles of the consultants has demonstrated their value in areas ranging from data collection and analysis to community economic development corporations. In these communities and companies, experience and expertise is uncommon in activities essential for the success of CEIC funded projects. The consultants performed important roles which should be incorporated into new projects.

In working with the community through a contract such as this, the department needs to take into account the long and tenuous process of community and regional economic development. Most residents have few of the skills required to build a local vehicle for changing their economic and employment structures. Obtaining funds, working with other groups and assessing job creation opportunities are all tasks which require skill and experience. Whereas a short-term contract can be struck to handle immediate training and relocation problems, as was the case here, it is not always possible to mobilize a community sufficiently for it to handle main economic problems on its own initiative. Even though the community's leadership might catch on right away, it takes a lot longer for community values to change. It is recommended that greater attention be paid in the design and administration of these contracts to ensure that new economic development organizations have sufficient time and support to become fully operational and effective.

Workers could be better protected when they have completed their training if a notation is made in their employment records. The industry works very informally in this respect and does not always record training experience on individual records. It is recommended that any on the job training sponsored by the federal government be so documented so as to improve workers' personnel files if they need to seek out other employment.

The audience outside the immediate vicinity of Lynn Lake interested in the reponse to similar problems as occurred at Lynn Lake include primarily the provincial and national mining associations, interest groups concerned with the survival of small towns and CEIC officials responsible for the implementation of programs throughout the country. During this project care was taken to document what happened and how it affected the communities concerned. Every effort should be made to continue this dialogue by the distribution of the film, documents and speeches to these parties. It is recommended that this data dissemination process be resourced and monitored so that the experiences of this one isolated community not be lost on the rest of the country.

The major lesson in the end is that no one idea is going to work in approaching the employment problems of small, isolated resource towns. The message from the participants in this project under evaluation is that the flexibility of the national program was pivotal in the success of Lynn Lake. It is not easy to say whether this can be replicated elsewhere; however, it is important to learn that the flexibility in the planning, documentation and monitoring processes made it possible for a positive private sector involvement.

The study also shows that if a broadly-based approach is used, and the recommendation here is that such a strategy is crucial, then everyone has to be prepared to accept the long-term commitment to not only set up new organizations but to make sure they work for more than a few months. As pointed out in the study, the NWMDC is a very fragile organization. It will need to struggle for secure funding in what is a very competitive environment for grants and infrastructure support. While the company has changed in its attitudes and views on these employment and community issues, there was insufficient evidence that its internal expenditure priorities had been altered permanently. This is not to suggest a new set of program criteria is required but to raise issues that should be negotiated and discussed by both parties in future agreements. Given this analysis of resource communities, Ottawa will likely be faced with similar requests in the coming months.

BIBLIOGRAPHY

Advisory Committee on Resource Dependent Communities in Northern Ontario. *Final Report and Recommendations*. n.p., May 1986.

Bartsch, Werner. *Exit With Excellence How One Unusual Shutdown Transformed Mining Traditions*. Atikokan, Ontario: Quetico Press, 1983.

Bertin, Oliver. "Debt-Ridden Sherritt Gordon to Abandon Mining Industry." *Globe and Mail*, 25 April 1987, B10.

Bowles, Roy T. *Little Communities and Big Companies*. Toronto: Butterworths, 1982.

Bowles, Roy T. *Social Impact Assessment in Small Communities, A Review of Selected Literature*. Toronto: Butterworths, 1981.

Bradbury, John H. and Isabelle St. Martin. "Winding Down a Quebec Mining Town: A Case Study of Schefferville." *Canadian Geographer* XXVII, 2 (1987): 128-143.

Canada, Economic Council of Canada. *Living Together, A Study of Regional Disparities*. Ottawa: D.S.S., 1977.

Canada, Employment and Immigration Commission. *Labour Market Development in the 1980's*. Ottawa: D.S.S., 1981.

Canada, Energy, Mines and Resources. *Mining Communities*. MR 154 Mineral Policy Series. Ottawa, 1976.

Canada, House of Commons, Members of the Parliamentary Task force on Employment Opportunities For the '80's. *Work For Tomorrow Employment Opportunities for the '80's*. Ottawa: House of Commons, n.d.

Canada, Regional Economic Expansion. *Single-Industry Communities*. Occasional Papers. n.p. n.d.

Canadian Association of Single Industry Towns. *Report: First Annual Conference Sudbury, Ontario, September 24-26, 1986*. Saskatoon, 1986.

Canadian Council on Rural Development. *A Development Strategy for the Mid-North of Canada*. Ottawa: CCRD, 1976.

Eleen, J.W. and A.G. Bernadine. *Shutdown: The Impact of Plant Shutdown, Extensive Employment Terminations on the Worker and the Community*. Toronto: Ontario Federation of Labour, 1971.

Elias, Peter Douglas. *Metropolis and Hinterland in Northern Manitoba*. Winnipeg: The Manitoba Museum of Man and Nature, 1975.

Gordur, Jeanne Prial, Paul Jarley and Louis A. Ferman. *Plant Closures and Economic Dislocation*. Kalamazoo, Michigan: W.E. Upjohn Institute for Employment Research, 1981.

Grayson, Paul, J. *Plant Closures and De-Skilling: Three Case Studies*. Ottawa: Science Council of Canada, 1987.

InterGroup Consultants Ltd. *Cost Implications of downsizing Lynn Lake, Manitoba Final Report*. Winnipeg: 24 January 1986.

The Northern Times "Lynn Lake Lays Foundation For a New and Promising Future," a supplement for selected Manitoba newspapers, September, 1986.

McKinley, Patrick. "Cash woes blamed as mining firm's payment delayed," *Winnipeg Free Press*, 12 May 1987. 9.

Nickel, Paul and Ian Gillies. *Regional Development in Manitoba's Inter-Lake: Two Perspectives*. Winnipeg: Natural Resource Institute, University of Manitoba, 1977.

Robson, Robert. *Canadian Single Industry Communities: A Literature Review and Annotated Bibliography*. Sackville, N.B.: Rural and Small Town Research Programme, Mount Allison University, December, 1986.

Task Force on Mining Communities. *Report Established by Federal, Provincial and Territorial Ministers with Responsibilities for Mining*. n.p., September, 1982.

APPENDIX A

MAILED QUESTIONNAIRE TO LYNN LAKE RESIDENTS

May 1987

Dear Resident

During 1986 the federal government assisted Sherritt Gordon in the opening of the new MacLennan mine. The Innovation Canada Program was developed to help train local workers for new mining jobs and to help the Northwest Development Corporation get its start.

Dr. David Walker of the University of Winnipeg has been asked by Employment and Immigration Canada to evaluate this program to find out its benefits and shortcomings and to show how other community programs might learn from your experiences.

I would greatly appreciate it if you would take a few minutes to fill out this questionnaire. Someone will come by your home in two days to pick it up, or you may drop it off at our office. Of course, all answers are confidential. You simply put the completed questionnaire back into the envelope and seal the envelope closed.

Thank you for your help.

S. Maga
Project Coordinator,
Northwest Manitoba Development Corporation.

QUESTIONNAIRE: Community Survey

This research is being carried out in order to examine the impact and effectiveness of the Federal Innovations Canada Program designed to assist and re-train Sherritt Gordon employees in the transition to the MacLennan Mine. We are also very interested in the effect that this change in mining operations may have on your community. Even if you do not work for Sherritt Gordon, your opinions as a member of the community are extremely important to us.

This questionnaire takes approximately 12-15 minutes to complete. Your co-operation is greatly appreciated. If you have any questions or concerns please feel free to call Sherry at the Northwest Development Corporation.

We assure you that all answers will be *strictly confidential*. A copy of this questionnaire is being sent to every household. You are not asked to sign your name. Individual replies will be grouped into totals so that no one can be personally identified. We would like to emphasize this because the success of the study depends upon your freedom to respond very frankly.

Once you have completed the questionnaire, please place it back in the envelope provided and seal it shut. If you wish, you may drop it off at the Northwest Development Corporation office. Otherwise, someone will drop by to pick it up.

Thank you for your co-operation.

I. **The first set of questions concern your opinions about Lynn Lake.** For each statement, please put a checkmark in the box that indicates whether you strongly agree, pretty much agree, disagree, or strongly disagree with the statement.

	Strongly Agree	Agree	Disagree	Strongly Disagree	Don't Know
1. Generally speaking, Lynn Lake is a good town to live in.	___	___	___	___	___
2. People are quite safe here at night.	___	___	___	___	___
3. I am very involved in community activity in Lynn Lake.	___	___	___	___	___
4. If I had a chance, I would move away from Lynn Lake.	___	___	___	___	___
5. People in Lynn Lake really don't care about each other.	___	___	___	___	___
6. Lynn Lake has a lot more problems with its teenagers than most towns.	___	___	___	___	___

II. **This second section is to be completed by Sherritt Gordon WORKERS ONLY.** If you do not work for Sherritt Gordon, please go on to Section III.

1. How long have you worked with Sherritt Gordon?

_____ 0-1 years
_____ 1-3 years
_____ 3-5 years
_____ 5-10 years
_____ more than 10 years

2. What type of work do you do there? (Job Title)

_____

3. We would like to ask you how you feel about your work. For each category, please circle the number that comes closest to how you feel. A high score (10) means you are very satisfied while a low score (1) means you are very dissatisfied.

	Very Dissatisfied									Very Satisfied
- the pay you receive	1	2	3	4	5	6	7	8	9	10
- the bonus system	1	2	3	4	5	6	7	8	9	10
- your immediate supervisor	1	2	3	4	5	6	7	8	9	10
- supervision/management in general	1	2	3	4	5	6	7	8	9	10
- opportunities for advancement or promotions	1	2	3	4	5	6	7	8	9	10

MINERS ONLY

- job security	1	2	3	4	5	6	7	8	9	10
- job variety	1	2	3	4	5	6	7	8	9	10
- recognition for a job well done	1	2	3	4	5	6	7	8	9	10
- the importance of your job	1	2	3	4	5	6	7	8	9	10

4. Now, could you rank the satisfaction/dissatisfaction you feel about the mining retraining system.

- the overall quality of the training	1	2	3	4	5	6	7	8	9	10
- was the training helpful?	1	2	3	4	5	6	7	8	9	10

5. Was it a good idea for the federal government to put money into training?

_____ yes, a good idea

_____ no, a bad use of government money

_____ it made no difference because the company would have saved our jobs

III. **EVERYONE:** As you probably know, Sherritt Gordon has switched operations to a new mine. For each category, we would like to ask you whether you think things in Lynn Lake will get better, worse or stay the same as a result of this change in mining operations.

	Things will Get Better	Things will Get Worse	Things will Stay the Same
1. Unemployment problems	_____	_____	_____
2. Drug/Alcohol problems	_____	_____	_____
3. The standard of living	_____	_____	_____
4. Economic conditions for local businesses	_____	_____	_____
5. Family problems/marriage breakups	_____	_____	_____
6. Your own personal financial situation	_____	_____	_____
7. Health/safety risks to miners	_____	_____	_____

8. Do you own or operate a small business in Lynn Lake?

_____ Yes (Please answer 8a.)

_____ No (Please skip to Section IV.)

OWNERS AND OPERATORS OF SMALL BUSINESS ONLY:

8a. How do you feel the new mining operation will affect your business?

_____ My business will improve

_____ Stay the same

_____ My business will likely get worse

8b. Do you anticipate any reductions in your staff as a result of the new mine?

_____ Yes _____ No

8c. Do you think you will put more money into your business as a result of the new mine?

_____ Yes _____ No

IV. **EVERYONE:** Thinking about the recent changes in local mining, would you agree or disagree that:

	Strongly Agree	Agree	Disagree	Strongly Disagree
1. Sherritt Gordon cares a great deal about their employees.	____	____	____	____
2. Most miners are very happy with the retraining program.	____	____	____	____
3. The MacLellan mine will be better for everyone.	____	____	____	____
4. The new mine requires a greater amount of skill on the part of workers.	____	____	____	____
5. It really doesn't matter to Sherritt Gordon what the miners think.	____	____	____	____
6. The miners have not been trained well enough for the new mine.	____	____	____	____

V. This set of questions concerns how satisfied you personally feel in your life. Sometimes major changes in a community affect the way we feel about our personal lives. We would like to ask you how satisfied you feel in some of those areas.

	Very Satisfied	Somewhat Satisfied	Not Very Satisfied	Not at all Satisfied	Don't Know N/A
1. Getting along with the people you work with	____	____	____	____	____
2. Time spent with friends	____	____	____	____	____
3. Involvement in sports, hobbies or clubs	____	____	____	____	____
4. Your marriage	____	____	____	____	____
5. Time spent with children	____	____	____	____	____
6. The type of work you do	____	____	____	____	____
7. Thinking about how things will go for you in future	____	____	____	____	____

VI. In this final section we would like to ask you a few questions about yourself for statistical purposes.

1. How long have you lived in Lynn Lake? ___ years

2. Where (what city or town) were you born? City or Town _____

   Province _____ Country, if outside Canada _____

3. Are you presently:

Employed Full-time	_____	_____ (occupation)
Employed Part-Time	_____	_____ (occupation)
In school	_____	
At home	_____	
Retired	_____	
Unemployed	_____	
Other _____	_____	

4. Are you presently:

Married and living with your spouse	_____
Living common law	_____
Separated	_____
Divorced	_____
Widowed	_____
Never married	_____

5. Including yourself, how many people are there living in your household?

   _____ number of adults 18 or over
   _____ number of children under 18

6. What is your age (as of last birthday)? ___ years

7. Are you: Male ___ Female ___

8. What is the highest level of education that you yourself have obtained?

   _____ last grade in school completed
   _____ technical or vocational training
   _____ university or college training

9. Please **circle** the number that comes closest to the yearly income of the principal wage earner in your household.

1.	under $10,000/year	5.	$30,000-39,999
2.	$10,000-14,999	6.	$40,000-49,999
3.	$15,000-19,999	7.	$50,000-59,999
4.	$20,000-29,000	8.	over $75,000

APPENDIX B

INTERVIEW SCHEDULE

The interviews were all structured in an open-ended format, lasted about 45 minutes, were held in the workplace/office of the interviewer and were conducted by Dr. Walker. In some cases informants were interviewed three or four times. All seven research questions were covered in the course of the interviews but not everyone was interviewed on all areas. It was found that few had been active in all areas of the project and that the interviews tended to concentrate on specific areas. The interviews were used to confirm documentation and opinions and/or information found in other interviews.

The interviews were structured to find out first about their role in the project; their general impressions of how it worked; their views on their counterparts from other organizations; their analysis of whatever documentation under discussion (e.g., the training manuals or the development corporations statement of objectives); progress they had seen since 1985 in the work world and in Lynn Lake; impressions of other issues as seen from their perspective and, finally, what they thought might happen to the region in the next few years.

THE INSTITUTE OF URBAN STUDIES

The Institute of Urban Studies (IUS) was created by the University of Winnipeg in 1969 at a time when the city's "urban university" perceived a need to address the problems and concerns of the inner city. From the outset, IUS was both an academic research centre and an innovative, action-oriented community resource. The Institute has always been committed to examining urban development issues in a broad context and has never lost sight of the demands of applied research aimed at practical, often novel, solutions to urban problems. In recent years, however, IUS has expanded its research mandate to include the examination of issues faced by rural, remote and northern communities with a special focus on western Canada and the North.

The Institute of Urban Studies is a multiple-function centre that undertakes to encourage, facilitate and engage in independent, multi-disciplinary research on a select range of topics (including housing, community and neighbourhood development, urban policy and municipal government, community economic development, program and agency evaluation, and social-demographic issues); to promote and engage in formal and informal education and community outreach programs (including an undergraduate urban studies majors program, workshops, conferences, seminars, etc.); and to conduct mission-oriented and applied research.

The Institute has an active publications program that includes a major scholarly journal, a quarterly newsletter, major reports, research and working papers, monographs, and occasional publications.

The Institute is an institutional member of the following organizations: the Social Science Federation of Canada, the Association for Canadian Studies, the Urban Land Institute, the Urban Affairs Association, the International New Towns Association, the International Federation for Housing and Planning, the Association of Canadian University Planning Programs, the Canadian Council on Social Development, the Canadian Urban History Association, the Canadian Association of Housing and Renewal Officials, the Livable Winter City Association, the International Downtown Executives Association, the Canada West Foundation, the Canadian Association of Threatened Single Industry Towns, the Social Planning Council of Winnipeg, the Downtown Winnipeg Association, and several other local or regional bodies.

For further information on any aspect of the Institute, please contact:

Dr. Alan F.J. Artibise, Director
Institute of Urban Studies
University of Winnipeg
515 Portage Avenue
Winnipeg, Manitoba R3B 2E9
Canada

Telephone: (204) 786-9409